

SPONSORED BY TRUSTEE

TRUSTEE'S BILL

ORDINANCE NO.

NO. 09-04
Series of 2009

09-04
Series of 2009

**A BILL FOR AN ORDINANCE AUTHORIZING THE
ISSUANCE OF TOWN OF HUDSON, COLORADO,
LIMITED TAX GENERAL OBLIGATION BONDS, SERIES
2009 AND DECLARING AN EMERGENCY.**

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF
HUDSON, 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 are parenthetically defined elsewhere herein.

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

Bonds: the Town of Hudson, Colorado, Limited Tax General Obligation Bonds, Series 2009, as authorized by this Ordinance.

Bond Fund: the Town of Hudson, Colorado, Limited Tax General Obligation Bonds, Series 2009 Bond Fund created pursuant to Section 13.A. of this Ordinance.

Business Day: a day on which banks located in the Town are not required or authorized to be closed and on which The New York Stock Exchange is not closed.

Combined Maximum Annual Principal and Interest Requirements: with regard to any one or more particular issues of bonds, notes, contracts, or other obligations, the maximum annual payments of principal of and interest on all of said obligations (excluding redemption premiums) to become due during any Fiscal Year while such obligations are outstanding;

provided that (i) such computation shall assume the redemption and payment of obligations subject to mandatory redemption, but shall be made without regard to any right of optional redemption which has not been exercised; (ii) such computation shall be made without regard to any right of acceleration of any obligations unless at the time of the computation such obligations have been accelerated thereunder; and (iii) for obligations which bear a variable interest rate, such computation shall be made upon the assumption that the obligations bear a rate 2% higher than the rate then borne by such obligations.

Continuing Disclosure Certificate: the Continuing Disclosure Certificate executed by the Town in connection with the issuance of the Bonds, which constitutes an undertaking pursuant to Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission.

County: Weld County, Colorado.

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

DTC: The Depository Trust Company, New York, New York, and its successors and assigns.

Election: the election held within the Town on November 4, 2008.

Federal Securities: only direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or ownership interests in any of the foregoing) and which are not callable prior to their scheduled maturities by the issuer thereof.

Fiscal Year: the twelve (12) 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 lawfully designated by the Board as the Fiscal Year of the Town.

Letter of Representations: the letter of representations from the Town to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

Limited Mill Levy means an ad valorem mill levy (a mill being equal to 1/10 of 1¢) imposed upon all taxable property in the Town each year at a rate sufficient to produce revenues to pay the principal of, premium if any, and interest on the Bonds which is due and

payable in such year and to fund the Reserve Fund in the amount of the Reserve Fund Requirement, but not in excess of 15.966 mills.

Mayor: the Mayor of the Town.

Mayor Pro Tem: the Mayor Pro Tem of the Town.

Official Statement: the Official Statement delivered in connection with the original pricing and sale of the Bonds.

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 theretofore canceled by the Town, Registrar or Paying Agent, or surrendered to the Town, Registrar or Paying Agent for cancellation;

(2) 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.

Owner or Registered Owner: the registered owner of any Bond as shown on the registration records kept by the Registrar.

Parity Bonds: bonds, notes, interim securities, or other obligations payable from all or any part of the revenues generated by the Limited Mill Levy and having a lien thereon which is on a parity with the lien of the Bonds.

Paying Agent: UMB Bank, n.a., Denver, Colorado, or its successors and assigns, acting as paying agent with respect to the Bonds.

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.

Preliminary Official Statement: the Preliminary Official Statement relating to the Bonds.

Principal Operations Office: the principal operations office of the Registrar or Paying Agent, as the case may be, as designated in writing to the Town.

Project: means the construction of street improvements, as more fully described in the election question approved by the registered electors of the Town at the Election, and payment of the costs of issuance of the Bonds.

Purchase Contract means the Bond Purchase Agreement between the Town and the Underwriter.

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

Registrar: UMB Bank, n.a., Denver, Colorado, or its successors and assigns, acting as registrar with respect to the Bonds.

Registrar and Paying Agent Agreement: the Registrar and Paying Agent Agreement between the Town and the Registrar.

Reserve Fund: the fund created pursuant to Section 15 hereof.

Reserve Fund Requirement: the amount set forth in the Sale Certificate which is to be accumulated and/or maintained in the Reserve Fund, if any.

Sale Certificate: the certificate executed by the Mayor or the Town Administrator dated on or before the date of delivery of the Bonds, setting forth the determinations made by the Mayor or the Town Administrator pursuant to the authority delegated by this Ordinance, including without limitation: (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 existence and amount of any capitalized interest or reserve fund; (iv) the price at which the Bonds will be sold; (v) the principal amount and denominations of the Bonds; (vi) the amount of principal of the Bonds maturing on each date; (vii) the dates on which principal and interest will be paid and the first interest payment date; and (viii) whether the payment of principal of and interest on the Bonds will be secured by a municipal bond insurance policy, all subject to the parameters and restrictions contained in this Ordinance.

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, constituting Title 11, Article 57, Part 2, C.R.S.

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: Bonds that are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

Town: the Town of Hudson, Colorado.

Town Administrator: duly appointed and acting administrator of the Town.

Town Clerk: the Town Clerk of the Town or, in his or her absence, the deputy Town Clerk of the Town.

Underwriter: George K. Baum & Company.

Section 2. Recitals.

A. The Town is a statutory town duly existing under the Constitution and laws of the State of Colorado.

B. Pursuant to Section 31-15-302(1)(d)(I), C.R.S., the Town is authorized to contract indebtedness on behalf of the Town and upon the credit thereof by issuing bonds for any public purpose subject to the approval of the registered electors of the Town at an election.

C. At the Election, the voters within the Town approved the issuance of debt in an aggregate amount not exceeding \$5,000,000 pursuant to the following bond question:

SHALL TOWN OF HUDSON DEBT BE INCREASED \$5,000,000, WITH A REPAYMENT COST OF \$11,700,000, WITHOUT RAISING ANY TAXES OF THE TOWN; SUCH DEBT TO CONSIST OF GENERAL OBLIGATION BONDS, REVENUE BONDS OR OTHER OBLIGATIONS ISSUED OR INCURRED FOR THE PURPOSE OF FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING STREET IMPROVEMENTS INCLUDING CURBS, GUTTERS, CULVERTS, OTHER DRAINAGE AND

UTILITY IMPROVEMENTS, SIDEWALKS, BRIDGES, PAVING, LIGHTING, GRADING, LANDSCAPING, AND OTHER STREET IMPROVEMENTS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 6.75% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE TOWN BOARD, SUCH DEBT TO 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 IN AN AMOUNT NOT IN EXCESS OF 3% OF THE PRINCIPAL AMOUNT BEING REDEEMED, SUCH DEBT TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE TOWN, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES, SALES TAXES OR OTHER REVENUES; AND SHALL THE TOWN BE AUTHORIZED TO ISSUE DEBT TO REFUND THE DEBT AUTHORIZED IN THIS QUESTION, PROVIDED THAT AFTER THE ISSUANCE OF SUCH REFUNDING DEBT THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF ALL DEBT ISSUED PURSUANT TO THIS QUESTION DOES NOT EXCEED THE MAXIMUM PRINCIPAL AMOUNT SET FORTH ABOVE, AND PROVIDED FURTHER THAT ALL DEBT ISSUED BY THE TOWN PURSUANT TO THIS QUESTION IS ISSUED ON TERMS THAT DO NOT EXCEED THE REPAYMENT COSTS AUTHORIZED IN THIS QUESTION?

D. The Town has not previously authorized or issued any of the debt authorized at the Election.

E. Pursuant to Section 31-15-302(1)(d)(II), C.R.S, the total outstanding indebtedness of the Town may not exceed 3% of the actual valuation of taxable property within the Town as determined by the county assessor. Based on the Town's certified 2008 actual value of \$86,929,545, the Town's debt limit is \$2,607,886. The issuance of the Bonds will not cause the Town to exceed that amount.

F. 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, which were \$5,000,000 maximum

principal amount of bonds, \$555,112 maximum annual repayment cost, and \$11,700,000 maximum total repayment cost.

G. The Board of Trustees has determined and hereby declares that it is in the Town's best interest to effect the Project.

H. There have been filed with the Town Clerk the proposed forms of the following documents: (i) the Registrar Agreement; (ii) the Continuing Disclosure Certificate; (iii) the Bond Purchase Agreement; (iv) the Letter of Representations; and (v) the Preliminary Official Statement.

I. The Board of Trustees 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 set forth below.

Section 3. Ratification. All actions heretofore taken (not inconsistent with the provisions of this Ordinance) by the Board of Trustees and other officers of the Town relating to the Project and the sale and issuance of the Bonds for the purposes provided herein are ratified, approved and confirmed.

Section 4. Authorization of the Bonds.

A. In accordance with the Constitution and laws of the State and the provisions of this Ordinance, and for the purpose of defraying the cost of the Project, the Town hereby authorizes to be issued its "Town of Hudson, Colorado, Limited Tax General Obligation Bonds, Series 2009," in the aggregate principal amount provided in the Sale Certificate, subject to the parameters and restrictions contained in this Ordinance.

B. 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 of Trustees hereby elects to apply all of the Supplemental Act to the Bonds.

C. Either the Mayor or the Town Administrator is hereby independently authorized and directed to execute and deliver the Sale Certificate and to make and approve the final determinations contained therein, subject to the parameters and restrictions of this Ordinance. The Board of Trustees hereby delegates to the Mayor or the Town Administrator the

authority to make any and all determinations authorized pursuant to Section 11-57-205 of the Supplemental Act. Either the Mayor or Town Administrator is hereby authorized to determine if obtaining municipal bond insurance is in the best interests of the Town, and if so, to select a bond insurer to issue a municipal bond insurance policy, execute a commitment relating to the same and execute any related documents or agreements required by such commitment.

Section 5. Bond Details. Subject to the provision of Section 11 hereof, the Bonds shall be issued in fully registered form (i.e., registered as to both principal and interest) initially registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York, as securities depository for the Bonds. The Bonds shall be dated as of the date of delivery, shall be issued in denominations of \$5,000 or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date, and no individual Bond will be issued for more than one maturity) and shall be numbered in such manner as the Registrar may determine.

The Bonds shall mature, bear interest from their dated date to maturity and be sold, all as provided in the Sale Certificate; provided that (a) the aggregate principal amount of the Bonds shall not exceed \$2,200,000; (b) the maximum net effective interest rate of the Bonds shall not exceed 6.75% as hereby determined by the Board of Trustees; (c) the Bonds shall mature no later than December 1, 2037; (d) the purchase price of the Bonds shall not be less than 95%; (e) the maximum annual repayment cost of the Bonds shall not exceed the maximum annual repayment cost limitation of the Election properly allocable to the Bonds; (f) the maximum total repayment cost of the Bonds shall not exceed the total repayment cost limitation of the Election properly allocable to the Bonds; (g) the first optional redemption date on the Bonds shall not be later than December 1, 2019; (h) the optional redemption price shall not exceed 100%. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable semiannually on June 1 and December 1, commencing on the date provided in the Sale Certificate.

The principal of and premium, if any, on any Bond shall be payable to the Registered Owner thereof as shown on the registration records kept by the Registrar at the Principal Operations Office, upon maturity thereof and upon presentation and surrender at the

Principal Operations Office of the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the same interest rate borne by said Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made by check or draft mailed 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 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 interest payment date for such interest shall be fixed by the Registrar whenever moneys become available at the Paying Agent for payment of the defaulted interest.

Notice of the Special Record Date and the interest payment date for the defaulted interest shall be given to the Registered Owners of the Bonds on a date selected by the Registrar, not less than ten days prior to the Special Record Date, by first-class mail to each such Registered Owner as shown on the Registrar's registration records stating the date of the Special Record Date and the date fixed for the payment of the defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond 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 Registrar and Paying Agent Agreement). 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. The Bonds designated in the Sale Certificate will be subject to redemption at the option of the Town from any legally available funds on the dates set forth in the Sale Certificate in whole, or in part from any maturities, in any order of maturity and by lot within a maturity from Bonds of the same maturity and interest rate, in such manner as the Town may

determine (giving proportionate weight to Bonds in denominations larger than \$5,000), at the price set forth in the Sale Certificate, subject to the parameters and restrictions of this Ordinance.

B. The Term Bonds, if any, shall be subject to mandatory sinking fund redemption at the times, in the amounts and at the prices provided in the Sale Certificate.

On or before the thirtieth day prior to each such sinking fund payment date, the Registrar shall proceed to call the Term Bonds (or any Term Bond or Term Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next December 1, and give notice of such call without other instruction or notice from the Town.

At its option, to be exercised on or before the sixtieth day next preceding each such 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) of the preceding sentence 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 paragraph B.

C. In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, in which case the Registrar shall, without charge to the Owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof.

D. Notice of optional redemption by the Town shall be given by the Paying Agent in the name of the Town by sending a copy of such notice by first-class, postage prepaid mail, not more than 60 days and not less than 30 days prior to the redemption date to the Underwriter and to each Registered Owner of any Bond all or a portion of which is called for redemption at his address as it last appears on the registration books kept by the Registrar. Failure to give such notice by mailing to the Registered Owner of any Bond or to the Underwriter, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds.

All official notices of redemption shall be dated and shall state:

- (1) CUSIP numbers of Bonds to be redeemed;
- (2) the redemption date;
- (3) the redemption price;
- (4) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (5) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and
- (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office or such other office as shall be designated by the Paying Agent.

Prior to any redemption date, the Town shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Such notice shall be published by the Town Clerk in a newspaper customarily used by the Town for legal notices at least thirty days prior to the date on which the Bonds are to be refunded pursuant to Section 31-21-213, C.R.S.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at

the redemption price therein specified, and from and after such date (unless the Town shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity and interest rate in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

In addition to the foregoing notice, further notice may be given by the Paying Agent in order to comply with the requirements of any registered depository holding the Bonds but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Notwithstanding the provisions of this section, any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Section 7. Form of Bonds, Registrar's certificate of authentication, form of assignment and prepayment panel. The Bonds, Registrar's certificate of authentication, form of assignment and prepayment panel 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)

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Town or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTY OF WELD**

**TOWN OF HUDSON, COLORADO
LIMITED TAX GENERAL OBLIGATION BOND
SERIES 2009**

NO. R- _____ \$ _____

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
____%	December 1, 20__	_____, 2009	

REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT: _____ DOLLARS

On the faith, credit and behalf of the Town of Hudson (the “Town”), in the County of Weld, in the State of Colorado, the Board of Trustees of the Town (the “Board of Trustees”) hereby acknowledges the Town is indebted and promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, on the Maturity Date specified above, interest thereon payable on June 1 and December 1 in each year commencing on _____, 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 payable to the Registered Owner at the Interest Rate specified above 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 is one of an

authorized series issued pursuant to an ordinance of the Board of Trustees adopted on March 18, 2009 (the “Ordinance”). This Bond bears interest, matures, is payable, and is transferable as provided in the Ordinance and Sale Certificate. To the extent not defined herein, terms used in this Bond shall have the same meanings as set forth in the Ordinance. The Bonds are subject to optional and mandatory sinking fund redemption as provided in the Ordinance and the Sale Certificate.

The principal of the Bonds shall be payable at the Principal Operations Office of the Paying Agent, upon presentation and surrender of such Bonds. Except as otherwise provided in the Ordinance, payment of interest on the Bonds shall be paid by check mailed on the interest payment date to the person appearing on the registration records of the Town as the Registered Owner thereof as of the close of business of the Registrar on the Record Date to the address of such owner as it appears on the registration records of the Town.

Reference is made to the Ordinance and to all ordinances supplemental thereto, with respect to the nature and extent of the security for the Bonds, rights, duties and obligations of the Town, the rights of the owners of the Bonds, the rights, duties and obligations of the Paying Agent and Registrar, the circumstances under which any Bond is no longer Outstanding, the ability to amend the Ordinance, and to all the provisions of which the owner hereof by the acceptance of this Bond assents.

The Bonds of the series of which this is one are issued by the Town, upon its behalf and upon the credit thereof, for the purpose of defraying in part the costs of the Project, all under the authority of and in full conformity with the Constitution and laws of the State of Colorado and pursuant to the Ordinance of the Board of Trustees duly adopted and made a law of the Town prior to the issuance of this Bond. 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.

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officers of the Town in the issuance of this Bond; that the total indebtedness of the Town, including that of this Bond, does not exceed any limit of indebtedness

prescribed by the Constitution or laws of the State of Colorado; and that provision has been made for the levy and collection of annual taxes sufficient to pay the interest on and the principal of this Bond when the same become due (to the extent of the Limited Mill Levy as described in the Ordinance).

This Bond constitutes a limited tax general obligation of the Town and the full faith and credit of the Town hereby is pledged to the payment 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 hereon.

IN TESTIMONY WHEREOF, the Board of Trustees of the Town of Hudson, 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, 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

(End of Form of Bond)

(Form of Registrar's Certificate of Authentication)

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

UMB BANK, N.A.,
as Registrar

Date of Authentication
and Registration:

By: _____
Authorized Officer or Employee

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

(Form of Prepayment Panel)

The following installments of principal (or portion thereof) of this Bond have been prepaid in accordance with the terms of the Ordinance authorizing the issuance of this Bond.

<u>Date of Prepayment</u>	<u>Principal Prepaid</u>	Signature of Authorized Representative of the <u>Depository</u>

(End of Form of Prepayment Panel)

(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 8. Uniform Commercial Code. The holder or holders 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 Bonds shall constitute the Limited Tax General Obligations of the Town and the full faith and credit of the Town shall be, and hereby is, pledged to the payment thereof.

Section 9. Execution and Authentication. 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. Each Bond shall be authenticated by the manual signature of an authorized officer or employee of the Registrar as provided below. The signatures of the Mayor and the Town Clerk 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 provided below), 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 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 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 any of the Bonds.

No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form provided above, 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 all of 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 10. Registration, Transfer and Exchange. Subject to the provisions of Section 11 hereof:

A. Records for the registration and transfer of the Bonds shall be kept by the Registrar, which is hereby appointed by the Town as registrar (i.e., transfer agent) for the Bonds. Upon the surrender for transfer of any Bond at 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 enter such transfer on the registration records and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity and interest rate in authorized denominations. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with such exchanges and transfers of Bonds, which charges (as well as any tax or other governmental charge required to be paid with respect to such exchange or transfer) shall be paid by the registered owner requesting such exchange or transfer.

B. Except as may otherwise be provided with respect to payment of interest pursuant to Section 5 hereof, the person in whose name any Bond shall be registered on the registration records 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 be otherwise provided in Section 5 hereof with respect to payment of interest; and, subject to such exception, payment of or on account of either principal or interest on any Bond 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 of such Bond 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 such Bond to the extent of the sum or sums so paid.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it and the Town

may reasonably require, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers 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.

D. 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.

E. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled 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 11. Book Entry.

A. Notwithstanding any contrary provision of this Ordinance, the Bonds shall initially be evidenced by one or more Bonds for each maturity bearing the same rate of interest in denominations equal to the aggregate principal amount of the Bonds for that maturity bearing the same rate of interest. Such initially delivered Bonds shall be registered in the name of “Cede & Co.” as nominee for DTC, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

(1) to any successor of DTC or its nominee, which successor must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), C.R.S. and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended; or

(2) upon the resignation of DTC or a successor or new depository under clause (1) or this clause (2) of this paragraph A, or a determination by the Board of Trustees that DTC or such successor or a new depository is no longer able to carry out its functions, and the designation by the Board of Trustees of another depository acceptable to the Board of Trustees and to the depository then holding the Bonds, which new depository must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), C.R.S. and a qualified and

registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of DTC or such successor new depository; or

(3) upon the resignation of DTC or a successor or new depository under clause (1) above or designation of a new depository pursuant to clause (2) above, or a determination of the Board of Trustees that DTC or such successor or depository is no longer able to carry out its functions, and the failure by the Board of Trustees, after reasonable investigation, to locate another depository under clause (2) to carry out such depository functions.

B. In the case of a transfer to a successor of DTC or its nominee as referred to in clause (1) or (2) of subsection A hereof, upon receipt of the Outstanding Bonds by the Registrar together with written instructions for transfer satisfactory to the Registrar, a new Bond for each maturity and interest rate of the Bonds then Outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of subsection A hereof and the failure after reasonable investigation to locate another qualified depository for the Bonds as provided in clause (3) of subsection A hereof, and upon receipt of the Outstanding Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof shall be issued in authorized amounts, registered in the names of such Persons, and in such authorized denominations as are requested in such written transfer instructions; however, the Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

C. The Board of Trustees and the Registrar shall be entitled to treat the Registered Owner of any Bond as the absolute owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the Board of Trustees and the Registrar shall have no responsibility for transmitting payments or notices to the Beneficial Owners of the Bonds held by DTC or any successor or new depository named pursuant to subsection A hereof.

D. The Board of Trustees and the Registrar shall endeavor to cooperate with DTC or any successor or new depository named pursuant to clause (1) or (2) of subsection A hereof in effectuating payment of the principal amount of the Bonds upon maturity or prior redemption by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

E. Upon any partial redemption of any of the Bonds, Cede & Co. (or its successor) in its discretion may request the Town to issue and authenticate a new Bond or shall make an appropriate notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Registrar prior to payment. The records of the Paying Agent shall govern in the case of any dispute as to the amount of any partial prepayment made to Cede & Co. (or its successor).

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 Underwriter on receipt of the agreed purchase price. The Bonds shall be delivered in such denominations as the Underwriter shall direct (but subject to the provisions of Sections 10 and 11 hereof).

The proceeds of the sale 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 Underwriter or any subsequent Owner 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 of the Bonds. There shall be credited to any fund or account of the Town as determined by the Town Administrator all moneys from the sale of the Bonds which shall be applied, in a manner consistent with Section 16(A) hereof, to payment of (i) the cost of the Project, including, without limitation, the incidental expenses incurred by the Town as a part of the cost of the Project, and, (ii) if directed by the Town Administrator, interest on the Bonds.

Section 13. Payment of Principal and Interest; Ad Valorem Tax Covenant.

A. To meet the principal and interest payments accruing on the Bonds, as the same shall become due, and to fund the Reserve Fund in the amount of the Reserve Fund Requirement, there shall be levied by the Board of County Commissioners of the County, on all

taxable property in the Town, in addition to all other taxes, the Limited Mill Levy. The Limited Mill Levy shall be in addition to all other taxes levied to effect the purposes of the Town. The revenues from the Limited Mill Levy when collected shall be deposited in the Town of Hudson, Colorado, Limited Tax General Obligation Bonds, Series 2009 Bond Fund (the “Bond Fund”) which is hereby created and held by the Town, in an amount sufficient to pay the interest and principal on the Bonds and deposited in the Reserve Fund as set forth in Section 15 hereof, until the indebtedness so contracted under this Ordinance, principal and interest, shall have been fully paid, satisfied, and discharged; the Town may apply any other funds that may be in the treasury of the Town and available for that purpose to the payment of interest or principal as the same respectively become due and to the funding of the Reserve Fund, and to that extent the levy or levies herein provided for may thereupon be diminished. The levies may also be diminished to the extent that funds are not needed as a result of prior redemption in accordance with the terms of this Ordinance.

B. The revenues from the Limited Mill Levy levied to pay said principal and interest on the Bonds shall be in addition to any and all other taxes levied to effect the purposes of the County or the Town. No statutory or constitutional provision enacted after the issuance of the Bonds shall in any manner be construed as limiting or impairing the obligation of the Town to levy the Limited Mill Levy in an amount sufficient to pay the principal of and interest on the Bonds when due. Any changes in the boundaries of the Town subsequent to the delivery of the Bonds shall be effected in such a manner as to fully preserve and protect the rights of the Owners of the Bonds.

C. The foregoing provisions of this Ordinance and the Sale Certificate are hereby declared to be the certificate of the Board of Trustees to the Board of County Commissioners of the County, showing the aggregate amount of taxes to be levied by the Board of County Commissioners from time to time, as required by law, for the purpose of paying the principal of the bonded indebtedness and the interest thereon as the same shall hereafter accrue.

D. The amounts necessary to pay the interest on the Bonds and to discharge the principal thereof when due (to the extent of the Limited Mill Levy) are hereby appropriated for said purposes, and such amounts as appropriate for each year shall also be included in the

annual budget and appropriation resolutions to be adopted and passed by the Board of Trustees in each year, respectively, until the Bonds have been fully paid, satisfied, and discharged.

Section 14. Tax Levy. It shall be the duty of the Board of Trustees annually at the time and in the manner provided by law for levying other taxes, if such action shall be necessary to effectuate the provisions of this Ordinance, to ratify and carry out the provisions hereof with reference to the levy and collection of the Limited Mill Levy; and the Board of Trustees shall require the officers of the Town to levy, extend and collect the Limited Mill Levy on property within the Town, in the manner provided by law for the purpose of creating a fund for the payment of the principal of the Bonds and the interest accruing thereon. The revenues from the Limited Mill Levy, when collected, shall be kept for and applied only to pay the interest and principal of the Bonds and to fund or replenish the Reserve Fund in the amount of the Reserve Fund Requirement.

Said taxes shall be levied, assessed, collected and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State, and when collected said taxes shall be paid to the Town as provided by law. In the event any of the levies or the charges that may be made by the Town shall fail to produce an amount sufficient to pay the interest on and the principal of the Bonds becoming due in the next succeeding year and to fund or replenish the Reserve Fund in the amount of the Reserve Fund Requirement, the deficit shall be made up in the next levy (to the extent of the Limited Mill Levy), and taxes shall continue to be levied until the Bonds and the interest thereon shall be paid in full. The Board of Trustees shall take all necessary and proper steps to enforce promptly, or to cause the appropriate officials of the County, to enforce promptly, the payment of taxes levied.

Section 15. Reserve Fund. There is hereby created a fund of the Town to be known as the “Town of Hudson, Colorado, Limited Tax General Obligation Bonds, Series 2009 Reserve Fund” (the “Reserve Fund”), which will be held by the Town. The Reserve Fund shall be funded to the extent provided in the Sale Certificate, and if so funded, the provisions of this Section shall apply.

Moneys in the Reserve Fund shall be applied, if necessary, for the payment of the principal of or interest on the Bonds in the event that moneys in the Bond Fund are insufficient

therefor. The District shall accumulate funds within the Reserve Fund and replace any moneys withdrawn from the Reserve Fund and applied to the payment of the Bonds as soon as possible from amounts generated by the Limited Mill Levy not then required for the payment of the principal of and interest on the Bonds until the amount deposit in the Reserve Fund is equal to the Reserve Fund Requirement. The Reserve Fund shall be maintained in the amount of the Reserve Fund Requirement until such time as the amount credited thereto, when combined with moneys in the Bond Fund, will be sufficient to pay the principal of, premium if any, and interest on all of the Bonds, at which time such moneys may be applied for such purpose. The Reserve Fund and all assets thereof are hereby pledged to the payment of the principal of and interest on the Bonds.

Section 16. Covenants with Registered Owners.

A. The Town covenants for the benefit of the Registered Owners that it will not take any action or omit to take any action with respect to the Bonds, the proceeds of the Bonds, any other funds of the Town or the 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 the interest on the Bonds to lose its exclusion from alternative minimum taxable income for federal income tax purposes under Section 55(b)(2) of the Tax Code, or (iii) would cause interest on the Bonds to lose the 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 State law have been met.

B. The Town further covenants for the benefit of the Registered Owners of the Bonds that the Town will annually prepare or cause to be prepared a budget and an audit report, and will annually file or cause to be filed with the appropriate agency of the State a copy of its adopted budget, its appropriation ordinance and its audit report, all in accordance with the then applicable laws of the State.

C. The Town covenants that it will not take any action or fail to take any action which action or failure to act would release any property which is included within the boundaries of the Town at any time from liability for the payment of direct annual taxes levied by the Town for the payment of the principal or interest on the Bonds.

D. The Town covenants for the benefit of the Owners from time to time that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate which will be executed by Town officers in connection with the delivery of the Bonds. Any Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Town to comply with its obligation under this subsection; provided that the Town shall incur no pecuniary liability for failure to comply with this subsection.

Section 17. Investment. The proceeds of the Bonds and any moneys in any fund or account established by this Ordinance may be deposited, invested or reinvested in any manner permitted by law. Such deposits or investments 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 fund in question.

Section 18. 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, except for any Limited Tax General Obligation indebtedness of the Town currently outstanding or any Limited Tax General Obligation indebtedness issued on a parity with the Bonds. 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 19. Defeasance. If, when the Bonds shall be paid in accordance with their terms (or payment of the Bonds has been provided for in the manner set forth in the following paragraph), then this Ordinance and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

Payment of any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been provided for within the meaning and with the effect expressed in this Section if (a) in case said Bond is to be redeemed on any date prior to its maturity, the Town shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give on a date in accordance with the provisions of Section 6 hereof notice of redemption of such Bond on said redemption date, such notice to be given in accordance with the provisions of Section 6 hereof, (b) there shall have been deposited with the Paying Agent or a commercial bank exercising trust powers either moneys in an amount which shall be sufficient, or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Paying Agent or other commercial bank exercising trust powers at the same time, shall be sufficient to pay when due the principal of and interest due and to become due on said Bond on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bond is not by its terms subject to redemption within the next sixty days, the Town shall have given the Paying Agent in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 6 hereof, a notice to the Owner of such Bond that the deposit required by (b) above has been made with the Paying Agent or other commercial bank exercising trust powers and that payment of said Bond has been provided for in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of and interest of said Bond. Neither such securities nor moneys deposited with the Paying Agent or other commercial bank exercising trust powers pursuant to this Section or principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bond; provided

any cash received from such principal or interest payments on such Federal Securities deposited with the Paying Agent or other commercial bank exercising trust power, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in (b) of this paragraph maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on said Bond on or prior to such redemption date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Ordinance, except for the purpose of any payment from such moneys or securities deposited with the Paying Agent or other commercial bank exercising trust powers.

The release of the obligations of the Town under this Section shall be without prejudice to the right of the Paying Agent to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements incurred on or about the administration of and performance of its powers and duties hereunder.

Upon compliance with the foregoing provisions of this Section with respect to all Bonds then Outstanding, this Ordinance may be discharged in accordance with the provisions of this Section but the liability of the Town in respect of the Bonds shall continue; provided that the Owners thereof shall thereafter be entitled to payment only out of the moneys or Federal Securities deposited with the Paying Agent or other commercial bank exercising trust powers as provided in this Section.

Section 20. Additional Bonds.

A. No bonds, notes, interim securities, or other obligations shall be issued payable from all or any part of the revenues generated by the Limited Mill Levy and having a lien thereon which is superior to the lien of the Bonds.

B. The Town may issue Parity Bonds only if the following conditions are met:

(1) as of the date of issuance of the Parity Bonds, the Town is in substantial compliance with all of the covenants of this Ordinance;

(2) as of the date of issuance of the Parity Bonds, the Town is current in the accumulation of all amounts required to be then accumulated in the Bond Fund and the Reserve Fund; and

(3) the Combined Maximum Annual Principal and Interest Requirements for the Bonds, any outstanding Parity Bonds, and the Parity Bonds proposed to be issued is less than or equal to the amount that would be generated by an ad valorem mill levy (a mill being equal to 1/10 of 1¢) of 10 mills imposed upon all taxable property in the Town based upon the most recent certified assessed valuation for the Town provided by the county assessor.

C. A written certificate by the Mayor or the Town Administrator that the conditions set forth in this Section have been met shall conclusively determine the right of the Town to authorize, issue, sell, and deliver Parity Bonds in accordance herewith.

D. So long as the Town is in substantial compliance with all of the covenants of this Ordinance, nothing herein shall prevent the Town from issuing bonds, notes, interim securities, or other obligations payable from all or any part of the revenues generated by the Limited Mill Levy and having a lien thereon which is subordinate to the lien of the Bonds.

E. Nothing herein shall restrict or prevent the Town from issuing obligations that are not payable from all or any part of the revenues generated by the Limited Mill Levy.

Section 21. Delegated Powers. The officers of the Town 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, the procuring of bond insurance, if any, entering into and executing appropriate agreements with the Registrar and Paying Agent as to its services hereunder, and the execution of such certificates as may be required by the Underwriter, 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.

The form, terms and provisions of the Registrar and Paying Agent Agreement, the Letter of Representations, the Purchase Contract and the Continuing Disclosure Certificate are

hereby approved, and the Town shall enter into and perform its obligations under the Registrar and Paying Agent Agreement, the Letter of Representations, the Purchase Contract and the Continuing Disclosure Certificate in substantially the forms of such documents as are on file with the Town Clerk, with only such changes therein as are required by the circumstances and are not inconsistent herewith. The officers of the Town are hereby authorized and directed to execute and deliver such documents as required hereby. The Town Administrator or Mayor has the independent 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 and has the authority to accept and execute the Purchase Contract and the Sale Certificate based on such determinations.

Section 22. Official Statement. The distribution and use of the Preliminary Official Statement is in all respects hereby ratified, approved and confirmed. The Underwriter is authorized to prepare or cause to be prepared, and the Mayor is authorized and directed to approve, on behalf of the Town, an Official Statement for use in connection with the offering and sale of the Bonds. The execution of the Official Statement by the Mayor shall be conclusively deemed to evidence the approval of the form and contents thereof by the Town.

Section 23. 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. 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. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the Town shall replace such Registrar or Paying Agent, the Town may, upon notice mailed to each owner of any Bond at his address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. Every such successor Registrar or Paying Agent shall be 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 24. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board of Trustees, 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 of or interest on the Bonds. Such recourse shall not be available either directly or indirectly through the Board of Trustees 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 their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 25. Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to certain 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 26. 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 27. 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 28. 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 revise any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 29. Amendment.

A. The Town may, without the consent of, or notice to the owners 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 owners 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 owners of the Bonds any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the registered owners 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, with the consent of the owners of not less than two-thirds (2/3) in aggregate principal amount of the Bonds then Outstanding, be amended or supplemented by ordinance adopted by the Board of Trustees as shall be deemed necessary or desirable by the Town for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Ordinance; provided, however, that, without the written consent of the owners of all of the Bonds adversely affected thereby, no such ordinance shall have the effect of permitting:

(1) An extension of the maturity of any Bond authorized by this Ordinance; or

(2) A reduction in the principal amount of any Bond or the rate of interest thereon; or

(3) A reduction of the principal amount of Bonds required for consent to such amendatory or supplemental ordinance; or

(4) The establishment of priorities as between Bonds issued and Outstanding under the provisions of this Ordinance; or

(5) The modification of or otherwise affecting the rights of the owners of less than all of the Bonds then Outstanding.

Copies of any waiver, modification or amendment to this Ordinance shall be delivered to any entity then maintaining a rating on the Bonds.

Section 30. Holidays. If the date for making any payment or the last date for performing any act or exercising any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the city 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, 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 31. Ordinance Irrepealable. After any of the Bonds herein authorized are issued, this Ordinance shall constitute a contract between the Town and the owners of the Bonds, and shall be and remain irrepealable until the Bonds and interest thereon shall be fully paid, canceled and discharged as herein provided.

Section 32. Disposition of Ordinance. This Ordinance, as adopted by the Board of Trustees shall be numbered and recorded by the Town Clerk in the official records of the Town. The adoption and publication shall be authenticated by the signatures of the Mayor, or Mayor Pro Tem, and Town Clerk, and by the certificate of publication.

Section 33. Emergency Declaration. It is hereby found and determined by the Board of Trustees that: (i) the construction and acquisition of the Project is necessary in the public interest in order to properly and safely serve the Town and its residents; (ii) the long-term financing of the Project by the issuance of the Bonds is necessary in order to reduce the costs of the Project. 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.

Section 34. Effective Date. 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 18th day of March, 2009.

(S E A L)

TOWN OF HUDSON, COLORADO

Neal Pontius, Mayor

ATTEST:

Judy McGill, Deputy Town Clerk

STATE OF COLORADO)
)
 COUNTY OF WELD) SS.
)
 TOWN OF HUDSON)

I, Judy McGill, the Deputy Town Clerk of the Town of Hudson, 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 Limited Tax General Obligation Bonds, Series 2009 adopted by the Board of Trustees (the “Board”) of the Town at a regular meeting of the Board held at the Town Hall on March 18, 2009.

2. The Ordinance was adopted on first reading as an emergency ordinance at an open, regular meeting of the Board on March 18, 2009 by an affirmative vote of three fourths (3/4) of the members of the Board as follows:

Name	“Yes”	“No”	Absent	Abstain
Neal Pontius				
John Honnold				
Barbara Baker				
Isidro Guardado				
Dwayne Haynes				
Robert Lehl				
Tammy McCain				

3. The Ordinance has been signed by the Mayor, sealed with the corporate seal of the Town, attested by me as Deputy Town Clerk, 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 March 18, 2009 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 reading in the *Greeley Tribune*, a newspaper of general circulation within the Town, on _____, 2009. 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 _____ day of _____, 2009.

(SEAL)

Judy McGill, Deputy Town Clerk

EXHIBIT A

(Attach Notice of Meeting)

EXHIBIT B

(Affidavit of Publication)