

**TOWN OF SUGAR CITY  
RESOLUTION NO. 2007-005**

**A RESOLUTION TO BORROW ADDITIONAL MONEY TO COMPLETE THE CONSTRUCTION, FURNISHING, AND MOVE IN, OF THE NEW MUNICIPAL FACILITIES FOR THE TOWN OF SUGAR CITY**

**WHEREAS**, The Board of Trustees of The Town of Sugar City have accepted Grant Contract Energy and Mineral Impact Assistance Program EIAF #5043; and

**WHEREAS**, the Town of Sugar City is currently constructing Municipal facilities using EIAF #5043; and

**WHEREAS**, additional funds are required above and beyond the Grant Money and Money borrowed under resolution 2007-001 and resolution 2007-002 to complete construction, furnishing, and move in, of the new Municipal facilities;

**THEREFORE**, Be it resolved by the Board Of Trustees Of The Town Of Sugar City, Colorado:

**Section 1:** That the Sum of \$217,000.00 be borrowed from Fowler State Bank; and funds be allocated as follows;

- a. The sum of \$150,000.00 to pay off the existing obligation to Fowler State Bank which was used to assist in finishing the building and street repairs.
- b. The sum of \$67,000.00 to complete The Town of Sugar City's obligations for the new building project, the 2006 Audit, additional Asphalt and Street Repair Equipment Rental and material costs incurred.

**Section 2:** That the terms of the Loan comply with all aspects of current Colorado Governmental Law, and;

Ronnie H. Covel is authorized to sign all necessary documents on behalf of the Town of Sugar City, CO, in his capacity as Mayor. The loan is cross-collateralized and secured by 21 shares of Twin Lakes Water and an Assignment of Lease Agreement with the Lower Arkansas Valley Conservancy District and; The Town of Sugar City intends to remit to Fowler State Bank loan payments from the proceeds of the lease of the Twin Lakes Water as well as from appropriations of funds, as needed if funds are legally available. In the event you are not granted an appropriation of funds at any time during the loan term and operating funds are not otherwise available to you to remit said loan payments and other payments due or are to become due under the loan and there is no other legal procedure or available funds by or with which payment can be made to us and the non-appropriation did not result from an act or omission by you, then you shall forfeit the collateral sufficient to pay off the remaining balance of the loan, interest and any incurred fees and expenses as a result of said forfeiture. At least 30 days prior to the end of your fiscal period, the Town of Sugar City shall certify in writing that 1) Funds have not been appropriated for the fiscal period; 2) Such non-appropriation did not result from any act or failure to act by the Town of Sugar City; and 3) That you have exhausted all funds legally available to pay the loan payments.

**Passed, Adopted, and Approved this 18<sup>th</sup> day of July 2007**

  
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**Ronnie H. Covel, Mayor**

**Attest :**

  
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**Randal R. Bundy, Town Clerk**

