

**TOWN OF SUGAR CITY
RESOLUTION NO. 2008-002**

A RESOLUTION TO BORROW MONEY TO EXPAND THE TRASH COMPANY, SUGAR CITY DISPOSAL.

WHEREAS, The Board of Trustees of The Town of Sugar City have determined that the current Trash Truck is worn to almost the end of its useful life cycle; and

WHEREAS, the Town of Sugar City is currently expanding the Customer base of the Trash Company, Sugar City Disposal; and

WHEREAS, to facilitate the service of additional Customers, additional funds are required above and beyond those available; and

WHEREAS, the Town of Sugar City has assets in the form of Twin Lakes Waters Shares.

THEREFORE, Be it resolved by the Board of Trustees of The Town Of Sugar City, Colorado that 12 Twin Lakes Water Shares be used as collateral to secure funds; and

- Section 1:** That the Sum of \$200,000.00 will be borrowed from First National Bank Fowler; and funds be allocated as follows;
- a. The sum of \$90,000.00 will be allocated to facilitate the purchase of two (2) previously owned Trash Trucks and approximately seventy-five (75) Dumpster containers, to be used in the expansion of the Trash Company, Sugar City Disposal.
 - b. The sum of \$79,850.40 be allocated to the purchase and delivery of, 1,176 96 Gallon Totes.
 - c. The sum of \$30,149.60 be allocated to the purchase of additional supporting equipment and labor as required to expand Sugar City Disposal.

Section 2: That the terms of the Loan comply with all aspects of current Colorado Governmental Law, and; Gerald R. Ross is authorized to sign all necessary documents on behalf of the Town of Sugar City Colorado, in his capacity as Mayor. The loan is collateralized and secured by 12 shares of Twin Lakes Water; The Town of Sugar City intends to remit to First National Bank Fowler loan payments from the proceeds of the Trash Company, Sugar City Disposal, as well as from appropriations of funds, as needed if funds are legally available. In the event the Town of Sugar City is not granted an appropriation of funds at any time during the loan term and operating funds are not otherwise available to the Town of Sugar City 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 First National Bank Fowler and the non-appropriation did not result from an act or omission by the Town of Sugar City, then the Town of Sugar City 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 the Town of Sugar City's fiscal year, 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 the Town of Sugar City has exhausted all funds legally available to pay the loan payments.

Passed, Adopted, and Approved this 16th day of ^{JUNE 11th} July 2008


Gerald R. Ross, Mayor

Attest :


Randal R. Bundy, Town Clerk

