

AGENDA

for the Board of Trustees of the Town of Fairplay, Colorado
Monday, June 4, 2018 at 5:00 p.m. at the Fairplay Town Hall Meeting Room
901 Main Street, Fairplay, Colorado

- I. CALL TO ORDER WORK SESSION AT 5:00 P.M.**
 - A. Discussion Regarding Potential Land Use Code Updates**
- II. CALL TO ORDER REGULAR MEETING AT 7:00 P.M.**
- III. PLEDGE OF ALLEGIANCE**
- IV. ROLL CALL**
- V. APPROVAL OF AGENDA**
- VI. CONSENT AGENDA** *(The Consent Agenda is intended to allow the Board to spend its time on more complex items. These items are generally perceived as non-controversial and can be approved by a single motion. The public or the Board Members may ask that an item be removed from the Consent Agenda for individual consideration.)*
 - A. APPROVAL OF MINUTES – May 21, 2018**
 - B. APPROVAL OF EXPENDITURES – Approval of bills of various Town Funds in the amount of \$232,955.96.**
 - C. Approval of FINDINGS OF FACT, CONCLUSIONS AND ORDER** in regard to the application of the Fairplay Valiton Hotel, LLC, dba Middlefork Restaurant for a Hotel and Restaurant Retail Liquor License.
- VII. CITIZEN COMMENTS**
- VIII. PRESENTATIONS**
 - A. Presentation by Dr. Fitting Regarding an Update on Recent Activities of the South Park Health Services District**
 - B. Presentation by Gavin Salee Regarding an Update on Boys and Girls Club of the High Rockies**
- IX. UNFINISHED BUSINESS**
 - A. Other Discussion Items**
- X. NEW BUSINESS**
 - A. Should the Board Approve Adoption of Ordinance No. 2, series of 2018, entitled, "AN EMERGENCY ORDINANCE REPEALING AND REENACTING ARTICLE VII OF CHAPTER 2 OF THE FAIRPLAY MUNICIPAL CODE GOVERNING THE WATER AND WASTEWATER ENTERPRISE FUND."?**
 - B. Should the Board Approve Adoption of Ordinance No. 3, series of 2018, entitled, "AN EMERGENCY ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF TOWN OF FAIRPLAY, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ENTERPRISE, WATER AND WASTEWATER REVENUE NOTE, SERIES 2018 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,900,000, FOR THE PURPOSE OF ACQUIRING THE WASTEWATER SYSTEM AND ALL ASSETS OF THE FAIRPLAY SANITATION DISTRICT BY REFUNDING, PAYING AND DISCHARGING ALL OUTSTANDING OBLIGATIONS OF THE DISTRICT; AND DECLARING AN EMERGENCY AND PROVIDING THE EFFECTIVE DATE OF THIS ORDINANCE."?**

This Agenda May Be Amended.

Posted at Fairplay Town Hall, Fairplay Public Library, Fairplay Post Office, and Town of Fairplay Website on Thursday, May 31, 2018

C. Should the Board Approve Adoption of Resolution No. 21, series of 2018, entitled, **"A RESOLUTION OF THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, DESIGNATING THOSE PERSONS WHO ARE AUTHORIZED TO SIGN ON TOWN BANK ACCOUNTS."**?

D. Other New Business

XI. **BOARD OF TRUSTEE AND STAFF REPORTS**

XII. **ADJOURNMENT**

Upcoming Meetings/Important Dates:

Contin-tail Fairplay Rock & Gem Show	June 7 – 10, 2018 from 9 a.m. to 5 p.m.
South Park Trail Marathon & ½ Marathon	June 9, 2018
Fairplay's Wearable Art Fest	June 9 – 10, 2018
Board of Trustees Meeting	June 18, 2018 @ 7p.m.
TGIFairplay Concert with Split Window	June 22, 2018 @ 6 p.m.
Board of Trustees Meeting	July 2, 2018 @ 7p.m.
Fairplay's Independence Day Celebration	July 4, 2018

This Agenda May Be Amended.

Posted at Fairplay Town Hall, Fairplay Public Library, Fairplay Post Office, and Town of Fairplay Website on Thursday, May 31, 2018

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May 25, 2018

Tina Darrah, Town Administrator/Town Clerk
Town of Fairplay
901 Main Street
P.O. Box 267
Fairplay, CO. 80440

Re: Camping, Temporary Housing and Recreational Vehicle Regulation Policy Scan

Tina,

At your direction, I have completed an initial policy scan of regulations pertaining to three areas of concern for the Town: short-term camping, temporary housing during construction projects, and the use and parking of Recreational Vehicles (RVs) within Town limits. The Town of Fairplay Unified Development Code does not contain provisions governing such uses – *on public or private property* – at this time.

The purpose of this scan was to: 1) understand the policy landscape across similarly situated jurisdictions in central Rocky Mountain and Western Slope regions, and 2) inform discussions at the Town Board level as well as any staff recommendations regarding the drafting of new regulatory guidance – *potential amendments to the Unified Development Code* – that would effectively allow for but regulate:

1. Short-term Camping on private property;
2. Temporary Housing (typically a modular unit or recreational vehicle) for residents actively pursuing construction of new or remodeled primary dwelling units; and,
3. Short-term parking and use of Recreational Vehicles (RVs) on private property.

As part of my scan and analysis, I conducted outreach to planning departments across the state via the Colorado APA website list serve. While that outreach only returned two responses – *one from the City of Montrose and one from the Town of Pagosa Springs* – I also reviewed land use and zoning regulations along with definitions from 18 additional towns and counties of differing sizes. The purposes of the scan were to:

1. Gain a general understanding of the consistency by which differing jurisdictions address camping, temporary housing or RV usage from a regulatory standpoint;
2. Highlight and analyze a spectrum of regulatory language and procedures – from permissive or vague, to restrictive and precise – representing a range of policy choices for the Board's consideration; and
3. Identify potential policy and enforcement pitfalls and advantages.

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Attached, you and the Board will find a spreadsheet detailing my findings as well as a summary and a brief policy analysis (pros, cons and considerations) of highlighted regulatory language extracted from several jurisdictions currently regulating one or more of the uses (camping, temporary housing or RV use and parking).

I have not provided any staff recommendations at this time but, instead, provide this information to facilitate discussion and to solicit further direction from you and the Board at the June 4th work session.

Kindest regards,

A handwritten signature in black ink, appearing to be 'SH', with a vertical line extending downwards from the end of the signature.

Scot Hunn, Principal
Hunn Planning & Policy, LLC.

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Policy Scan Results and Analysis

This policy scan surveyed twenty (20) jurisdictions – 12 municipalities and eight counties – of varying sizes (measured by estimated population as of the latest census) that share similarities with the Town of Fairplay by way of geography (central mountains/western slope), economy (tourism, natural resource, and/or agricultural as drivers), demography. Those jurisdictions are:

<u>Municipalities</u>	<u>Counties</u>
Town of Alma	Chaffee County
Town of Basalt	Clear Creek County
Town of Buena Vista	Eagle County
City of Canon City	Garfield County
City of Glenwood Springs	Lake County
City of Leadville	Park County
Town of Minturn	Pitkin County
City of Montrose	Summit County
Town of Pagosa Springs	
Town of Red Cliff	
City of Salida	
Town of Westcliffe	

The following chart summarizes basic demographic information and statistics associated with the jurisdictions surveyed for this scan to provide context to any policy discussion.

Category	Value
Number of Jurisdictions Surveyed	20
Number of Municipal Jurisdictions Surveyed	12
Number of County Jurisdictions Surveyed	8

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Municipalities:	
Mean/Ave. Population	6,528
Median Population	3,350
Highest Population (Montrose, Montrose Co.)	19,400
Lowest Population (Alma, Park Co.)	230
Counties:	
Mean/Ave. Population	30,500
Median Population	18,195
Highest Population (Garfield)	58,000
Lowest Population (Lake)	7,500
Jurisdictions with Applicable Regulations and Standards:	
Jurisdictions with Camping Regulations	4 (20%)
Jurisdictions with Temporary Housing Regulations	4 (20%)
Jurisdictions with RV Regulations	5 (25%)
Jurisdictions Regulating 1-2 Uses	3 (15%)
Jurisdictions Regulating >2 Uses	0 (0%)

I. Policy Scan Overview

The following provides a general overview of existing Town of Fairplay regulations or definitions specific to camping, temporary housing or recreational vehicle use and storage, as well as a summary of the intent of such regulations as they appear in the land use and development codes of the jurisdictions surveyed for this policy scan.

Staff understands that the Town desires to discuss the potential adoption of regulations for each of these uses with a focus and some urgency on drafting regulations aimed at allowing for camping on private property as well as the use and/or parking of RVs on public and private property as the summer season draws near.

For that reason, staff has included several examples of regulatory language for the Board's consideration.

A. The Town of Fairplay Unified Development Code (UDC) – Existing Provisions:

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The Town of Fairplay Unified Development Code (UDC) adopted December 2015 does not currently contain any language specific to or defining (non-commercial) camping, temporary housing, or recreational vehicle (RV) uses or storage on public or private property. However, staff is of the understanding that on-street parking of RVs is permitted for up to seventy-two (72) hours in one location.

However, the UDC does permit “Campground and RV Park” uses via the Special Use Review process within the Commercial (C), Mixed-Use (MU), Light Industrial (LI), and Parks-Open Space-Trails (POST) zone districts. However, neither “Campground” or “Recreational Vehicle (RV) Park” are defined within the UDC.

The UDC defines “Camper coach” and “Camper trailer” – both of which constitute a camper unit designed to allow for “sleeping/temporary living accommodations” either as an attachment to a vehicle or as a trailer. However, neither term listed as ‘by-right’ or special uses in Section 16-5-30 – Table of Uses, UDC (pp. 26-31). “Camping,” “Recreational Vehicle,” and “Temporary Housing” are not defined in the UDC nor are any supplemental standards adopted under Article VII – Supplemental Standards, UDC.

“Use, Temporary” is defined in the UDC and along with numerous potential temporary uses, the definition references the parking of “recreational vehicles that exceeds the 14 days,” but nowhere else in the UDC are on-street parking restrictions or other standards for Recreational Vehicles addressed.

B. Camping Regulations:

The general intent of “Camping” definitions, standards and regulations reviewed for this policy scan is to allow short-term (typically two weeks or less), non-commercial camping by property owners and their guests within tents, camper trailers, and even RVs on private property for recreation and private enjoyment without any review or permits required. The regulation of camping is generally tied to neighborhood compatibility, life-safety, nuisance and/or public health concerns.

In some instances, “camping” (which may include the use of RVs or camper trailers) is permitted for longer periods (3 months to one year) as temporary housing during construction or even for employee housing if served by on-site utilities and services (water, wastewater treatment systems) and only after approval by the jurisdiction and/or, if proposed within an approved subdivision, after approval by a Homeowner’s Association if applicable.

Jurisdictions surveyed that currently define or regulate Camping: Chaffee County; Eagle County; Town of Pagosa Springs; Park County.

C. Temporary Housing Regulations:

The general intent of “Temporary Housing” definitions, standards and regulations reviewed for this policy scan is to allow for but regulate the use of manufactured homes,

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RV's and in some instances camper trailers or tents for temporary use as dwelling units or "living quarters" – either within approved campgrounds or RV parks, or on private property.

Typically, temporary housing is permitted – *usually in six-month increments or for the life of an active construction project* - in conjunction with a building permit for a new residence and/or remodel of existing primary residential structures on a lot. Of those regulations scanned that tied temporary housing to an active building permit, "Temporary Housing" or "Temporary Use" permits may be issued after administrative review, or as part of a Conditional Use permit process. Several jurisdictions allow temporary housing for property owners of residential lots and for employees (security and/or on-site management of construction projects) of commercial operations during the life of a construction project on commercial and industrial properties.

Jurisdictions surveyed that currently regulate or define temporary housing: Clear Creek County, Eagle County, City of Montrose, Town of Pagosa Springs, and Park County.

D. Recreational Vehicle (RV) Use and Parking Regulations:

The general intent of "Recreational Vehicle" definitions, standards and regulations reviewed for this policy scan is to permit the temporary use of campers, camper trailers, or other self-contained vehicles "designed for temporary living quarters" (Chaffee County Land Use Regulations) but not for permanent dwelling – whether used on private property or within approved RV parks and campgrounds. Typical time allowances prescribed in the regulations reviewed for this scan range from a matter of hours or days, to 18 months.

Several jurisdictions included in this scan allow for RVs to be used for temporary housing during construction projects or as approved (for longer periods) in residential, commercial or industrial zone districts and on private property as part of a conditional use permit and where on-site utility and waste management (wastewater, trash pickup) are provided.

Jurisdictions surveyed that currently regulate or define Recreational Vehicles (RVs): Town of Alma, City of Canon City, Chaffee County, City of Montrose, City of Salida, and Summit County.

II. Policy Examples

The following are excerpts from select jurisdictions with policies and regulatory language or processes representing a range of approaches to the definition and regulation of camping, temporary housing (or temporary uses), and the use and/or storage of recreational vehicles within the Town.

Some selected definitions and regulatory language may represent a 'best practice' or the best 'fit' for the Town of Fairplay based on 1) the general desire to allow, but regulate uses and time frames; and, 2) staff capacity to administer and enforce regulations.

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Staff has provided a summary of observations and policy considerations (pros and cons) for each selected definition or regulation excerpt for the Board's consideration in determining if such provisions are appropriate for the Town of Fairplay's use.

A. Highlighted Camping Definitions and Regulations:

The following excerpts from selected "camping" regulations reviewed during the policy scan are provided along with a brief analysis of potential pros and cons of the selected language for the Board's consideration.

Camping Definitions

Town of Pagosa Springs

"Camping, which shall mean the taking up of temporary residence in a tent or recreational vehicle in any of the residential zone districts or the OS zone district for a period of time not to exceed fourteen (14) consecutive days, or not more than fourteen (14) days in a four-month period. Camping for a period of time not to exceed three (3) consecutive days shall not be subject to the general standards in Section 4.4.3."

Observations and Policy Considerations:

- Definition captures intent of camping, addresses means (tent or recreational vehicle) by which people may camp, establishes the locations or zones within which camping is permitted, and sets a reasonable time frame or limit for continuous camping.
- Definition functions more as a regulation or standard rather than true *definition* and is listed in the Town of Pagosa Springs code under "Temporary Uses and Structures Allowed."
- The three (3) day time limit on camping (without the need to comply with temporary use standards) is restrictive compared to other regulations reviewed for this scan which may place additional burden or demand on staff members to administer and enforce permitting of camping over three days in length.

Park County

"Camping: Temporary, non-commercial lodging by a lot owner or owners. No tent, trailer, recreational vehicle, or other camping unit may be permanently affixed to the ground."

"Camping Unit: A tent, tent trailer, travel trailer, camping trailer, pickup camper, motor home, and any other device or vehicular type structure for use as temporary living quarters or shelter during periods of recreation, vacation, leisure time, or travel."

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Observations and Policy Considerations:

- Definition(s) are concise, easy to understand and make distinctions between commercial and non-commercial uses.
- Definition(s) capture a variety of means (i.e., tents, trailers, recreational vehicle, or other “unit”) by which people may camp on private property;
- Definitions describe intent and short-term, non-permanent nature of camping.

Camping Regulations and/or Standards

Chaffee County

“7.8.8 Camping on Private Property (Non-Commercial). Non-commercial camping on private property is permitted under the following conditions:

A. Vacant Property.

1. *Property owners shall be permitted to camp on their own property for up to two weeks without any permits.*
2. *Property owners may be granted a permit for up to three months under the following conditions. One renewal may be granted in any calendar year.*
 - a. *Approval of the subdivision homeowners association (if applicable).*
 - b. *Camping shall only be permitted in a hard-sided vehicle such as an RV or fifth-wheel.*
 - c. *The property owner shall provide a narrative detailing the method for obtaining potable water supply, wastewater treatment, and trash removal.*
 - d. *Requests for renewal shall be considered only following review of the above conditions.*

B. Improved Properties. *Property owners that have improved their property to include a permanent residence with a permanent water supply and wastewater treatment system shall be permitted to allow guests to camp on their property as long as there is no commercial activity associated with the camping. Camping in excess of 14 days shall be subject to the permit requirements and conditions above in Section 7.8.8 A2 above.”*

Observations and Policy Considerations:

- Regulation and standards are concise, straight-forward and not overly restrictive or burdensome.

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- Regulation is specific to “camping” and separate from long-term Recreational Vehicle use for construction projects (which are regulated separately within the Chaffee Co. code).
- The initial fourteen (14) day time frame appears reasonable for property owners and their guests, as well as for town administrators (i.e., 14 days would allow enough time for camping to occur in most instances without the need for the processing of a permit or additional enforcement by staff).
- Regulation allows up to three (3) months total camping duration so long as minimum criteria are met.
- Criteria are straight-forward, proportional and relevant to potential compatibility and public safety impacts.
- Regulation makes distinction between vacant and improved properties.
- Regulation does not make clear what the process is to obtain a permit for camping in-excess of fourteen (14) days.
- Regulation requires/limits camping beyond initial 14 days to Recreational Vehicles or “hard-sided vehicle such as an RV or fifth-wheel” which seems to preclude other forms of camping (tents, smaller trailers/pop-ups).

Town of Pagosa Springs

“Camping, which shall mean the taking up of temporary residence in a tent or recreational vehicle in any of the residential zone districts or the OS zone district for a period of time not to exceed fourteen (14) consecutive days, or not more than fourteen (14) days in a four-month period. Camping for a period of time not to exceed three (3) consecutive days shall not be subject to the general standards in Section 4.4.3.”

Note: the temporary use standards and approval criteria (Section 4.4.3 referenced above) are listed in their entirety elsewhere in this document under “Temporary Housing/Use Regulations and/or Standards.”

Observations and Policy Considerations:

- Regulation is concise and allows for un-permitted camping (up to 3 days), thus reducing burden on property owners, their guests and town administrators to process a camping permit.
- Limitation on total camping days (14 days within a four-month period) gives jurisdiction control and neighboring property owners some predictability over the total impact from camping on private property.
- Regulation combines definition and regulation rather than separating the two.
- While 14-day time limit is similar to restrictions by other jurisdictions, the three (3) day limitation on camping appears to be the most restrictive of all jurisdictions surveyed. This may not represent a “con” but could impact town staff from an administrative and enforcement standpoint.

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B. Highlighted Temporary Housing (or Use) Definitions and Regulations:

The following excerpts from selected “Temporary Housing” or “Temporary Use” regulations reviewed during the policy scan are provided along with a brief analysis of potential pros and cons of the selected language for the Board’s consideration.

Temporary Housing (or Use) Definitions

City of Canon City

“Temporary use - a specific land use as set forth in this title allowed by permit or other approval for a limited period of time on a particular parcel of land at a particular location which does not utilize any permanent structure except as may otherwise be permitted herein.”

Observations and Policy Considerations:

- Definition is concise but not specific to housing; vague.

Eagle County

“Building, Temporary means any building or structure for which the location, occupancy or use shall not exceed six (6) months, unless the duration of its location, occupancy or use has been otherwise limited, pursuant to Section 5-250, Special Uses.”

Observations and Policy Considerations:

- Definition is concise and is intended to apply to all temporary buildings.
- Definition does not specifically address housing; only “occupancy” which could be commercial or residential in nature.

Town of Fairplay

“Use, Temporary means short term or seasonal uses which may be associated with construction projects or which are intended to sell or promote specific merchandise or products and shall include but not be limited to residential model homes, sales offices operated from a temporary structure, non-commercial batching plants, temporary building or yard for construction materials, parking lot for a special event; bazaars, carnivals and similar temporary uses; outdoor seasonal sales, parking of recreation vehicles that exceeds the 14 days, garage sales, and any uses deemed appropriate by the Town Administrator or his/her designee.”

Observations and Policy Considerations:

- Definition not concise.
- Definition reads more like a regulation than a definition.

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- Definition describes temporary use well

Park County

“Construction Dwelling: A temporary use conducted in either: (a) a Manufactured Home; or (b) a Recreational Vehicle; or (c) a stick-built building meeting all requirements of the County Building Code for which a certificate of occupancy is issued as a single family residential dwelling unit. The use shall be for the sole purpose of temporary residential accommodations by the owner or the owner's builder during periods in which a valid building permit authorizes construction on the same Lot of a permanent Dwelling Unit, unless the construction dwelling is a manufactured or stick-built home retained as a guest house by right or by issuance of a conditional use permit. A Construction Dwelling shall be connected to County authorized and County-permitted water and sewer service or, if a Recreational Vehicle, shall be as a self-contained facility that provides water and sewer services. A Construction Dwelling may not occupy the same Lot as a Residential Dwelling Unit, which is authorized for occupancy by issuance of a Certificate of Occupancy.”

Observations and Policy Considerations:

- The term “Construction Dwelling” is unique in that it is specific to construction and not merely any temporary housing situation.
- Definition combines definition and regulation rather separating the two.
- Definition is somewhat confusing with regard to the terms of use and placement (not allowing a Construction Dwelling on the same lot as an existing dwelling unit).

Temporary Housing (or Use) Regulations and/or Standards

Clear Creek County

“Residential Districts:

205.8. Construction or office trailers, temporary living quarters, or other temporary structures/temporary buildings during construction only, with the issuance of a building permit for the project utilizing the temporary structure. Temporary structures shall be removed from the property prior to the issuance of a Certificate of Occupancy, or within sixty days after an issued Temporary Certificate of Occupancy, for the project utilizing the temporary structure(s), which ever date occurs first.”

Observations and Policy Considerations:

- Use tied directly to building permit and, therefore, is permitted as a use by right in all zone districts;

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- Use is terminated upon issuance of Certificate of Occupancy (CO) or within 60 day of Temporary Certificate of Occupancy (TCO).
- Use permitted as a use by right rather than requiring administrative review such as “Limited Review.”
- Regulation is straight-forward and inclusive to different types of temporary occupancy or use of a structure.

Eagle County

“Section 3-310.X – Eagle County Land Use Regulations (ECLURs):

X. Temporary Housing. *An owner of a lot may live on his lot while a new house is being constructed on the same lot, provided the original unit is removed at the completion of the new unit, and provided the applicant submits an adequate site plan and associated materials that demonstrate compliance with the following standards:*

1. ***Water Supply and Sewage Disposal.*** *The applicant shall submit evidence of an adequate water supply and method of sewage treatment.*
 - a. ***Self-Contained Camper Units.*** *For self-contained camper units, the applicant shall show a valid commitment for hauling water and sewage.*
 - b. ***Other Units.*** *For units which are not self-contained, adequate water and sewage facilities shall be provided, with specifications approved by the County Environmental Health Office.*
 - c. ***Mobile Homes.*** *For mobile homes or other temporary housing, the applicant shall have water and sewage treatment systems that are approved by the Environmental Health Office.*
 - d. ***Prohibitions.*** *In no case shall unsafe water be used for drinking nor shall raw sewage be discharged on the ground surface.*
2. ***Approved Subdivision.*** *If the subject lot is located in an approved subdivision, the Covenants of that subdivision must allow such temporary housing. The applicant shall be responsible for demonstrating approval by the property owner's association.*
3. ***Time Limit.*** *The maximum allowable time length of the permit is six (6) months.*
4. ***Maximum Number.*** *Not more than one (1) temporary housing unit shall be located on a house construction site. The inhabitants of the unit shall be the owners of the lot or construction employees.*

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5. **Maintenance.** *Temporary housing sites shall be maintained in a clean, sanitary and safe condition, free from hazardous or noxious materials, weeds and refuse. The property owner shall be responsible for ensuring compliance.*
6. **Fire Protection.** *Adequate fire protection shall be provided. A water storage tank may be required if County Environmental Health Office and local fire protection officials deem it necessary.*
7. **Trash Collection.** *A thirty (30) gallon (four [4] cubic foot) container shall be provided, or the equivalent, in a central trash collection facility. Said container(s) shall be durable, washable, non-absorbent metal or plastic with tight-fitting lids. Refuse shall be removed from site not less than once per week.*
8. **Enforcement.** *Once the permit for temporary housing is granted, the applicant shall comply with all the foregoing regulations or the County will issue a stop work order for the construction project until the temporary housing site is brought into compliance with the regulations. The certificates of occupancy for a construction project shall be withheld until the temporary housing is removed and the site is restored to the satisfaction of the County."*

Observations and Policy Considerations:

- Use is permitted via the Limited Review process and is tied to building permits (essentially an administrative action) and therefore rather streamlined for administrators.
- Regulation requires more from applicants and from the staff by way of submittal requirements, review and enforcement.
- Requirements for maintenance, fire protection and trash collection are unique.

Town of Pagosa Springs

"4.4.2. TEMPORARY USES AND STRUCTURES ALLOWED

The following temporary uses are allowed provided they comply with the general standards of Section 4.4.3.

- A. *A dwelling unit situated on a lot, parcel, or tract, along with a primary dwelling unit, that provides a temporary residence for the residents of the associated primary dwelling unit that (i) has been deemed uninhabitable due to fire, flood or other disaster, or (ii) is under construction or undergoing substantial repairs or reconstruction. The temporary residence is allowed on the lot, parcel or tract only while the primary residence is undergoing new construction or repair. A temporary dwelling unit may also include a residence located on a nonresidential construction site and occupied by persons having construction or security responsibilities over*

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such construction site. The temporary residence is to be removed from the lot, parcel or tract upon completion of such construction.

- B. Camping, which shall mean the taking up of temporary residence in a tent or recreational vehicle in any of the residential zone districts or the OS zone district for a period of time not to exceed fourteen (14) consecutive days, or not more than fourteen (14) days in a four-month period. Camping for a period of time not to exceed three (3) consecutive days shall not be subject to the general standards in Section 4.4.3."*

"4.4.3. GENERAL REQUIREMENTS FOR ALL TEMPORARY USES AND STRUCTURES

All temporary uses or structures shall meet the following general requirements, unless otherwise specified in this Land Use Code:

- A. The temporary use or structure shall not be detrimental to property or improvements in the surrounding area or to the public health, safety, or general welfare.*
- B. The temporary use shall comply with all applicable general and specific regulations of this Section 4.4, unless otherwise expressly stated.*
- C. Permanent alterations to the site are prohibited.*
- D. All temporary signs associated with the temporary use or structure shall be properly permitted and removed when the activity ends or permit expires, whichever occurs first.*
- E. The temporary use or structure shall not violate any applicable conditions of approval that apply to a principal use on the site.*
- F. The temporary use regulations of this Section do not exempt the applicant or operator from any other required permits, such as Health Department permits.*
- G. If the property is undeveloped, it shall contain sufficient land area to allow the temporary use or structure to occur, as well as any parking and traffic circulation as required that may be associated with the temporary use, without disturbing sensitive or protected resources, including required buffers, one hundred-year floodplains, river protection setbacks, and required landscaping. At the conclusion of the temporary use or at expiration of the permit, whichever occurs first, all disturbed areas of the site shall be restored or improved to the condition that existed prior to the use.*
- H. If the property is developed, the temporary use shall be located in an area that is not actively used by an existing approved principal use, and that would support the proposed temporary use without encroaching or creating a negative impact on existing buffers, open space, landscaping, traffic movements, pedestrian circulation, or parking space availability.*

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- I. *Tents and other temporary structures shall be located so as not to interfere with the normal operations of any permanent use located on the property, shall be anchored, and meet the requirements of the Building Official, including fire rating.*
- J. *Off-street parking shall be adequate to accommodate the proposed temporary use.*
- K. *Applications for temporary structures to be located in the one hundred-year floodplain shall be required to submit a plan to the Building Department for the removal of such structure(s) in the event of a flood notification. The plan shall include the following information:*
 1. *The name, address, and phone number of the individual responsible for the removal of the temporary structures and the property owner;*
 2. *The time frame prior to the event at which a structure will be removed; and*
 3. *A plan to remove the temporary use earlier than the scheduled removal date, if required.”*

Observations and Policy Considerations:

- Regulation adequately covers both “temporary dwelling” and “camping.”
- Regulation requires physical separation between existing improvements or permanent uses and the temporary use or dwelling.
- Regulation, specifically Section 4.4.3 – General Requirements for All Temporary Uses and Structures, addresses several important standards for temporary housing and/or camping, including off-street parking, impacts on neighboring properties, removal of temporary uses, site remediation and adherence to floodplain regulations.
- The regulation does not address RVs within the context of temporary dwelling, temporary residence or camping.
- The list of criteria and standards may be too lengthy or contain provisions that are irrelevant to camping, temporary housing, or recreational vehicle use.
- The regulation does not address the provision of utilities, water and wastewater on sites where temporary housing or dwelling is proposed.

C. Highlighted Recreational Vehicle (RV) Definitions and Regulations:

The following excerpts from selected “Recreational Vehicle” regulations reviewed during the policy scan are provided along with a brief analysis of potential pros and cons of the selected language for the Board’s consideration.

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Recreational Vehicle Definitions

City of Canon City

"Recreational vehicle" or **"RV"** means any vehicle used for recreational occupancy, including motorhomes and pickup campers, travel trailers, tent trailers, converted buses, horse trailers with attached living quarters, and similar vehicles that are designed and constructed, or have been modified since their construction, to permit sleeping or housekeeping, or both, and that do not require for their use a hookup to permanent utility services, and are mobile or can be transported on public rights-of-way. Standard passenger or cargo vans that have been customized with various features to accommodate their use for camping or road trips, also commonly called "conversion vans," "camper vans" or "leisure vans," are not recreational vehicles for purposes of this chapter.

Recreational Vehicle Regulations and/or Standards

City of Canon City

"17.20.130 Mobile homes and recreational vehicles (RVs)—Storage and temporary use.

- A. Except as provided for in Subsections B and C of this section, no mobile home shall be parked or stored on any lot within any residential zone district within the City, except in a mobile home park or mobile home subdivision in compliance with applicable setback requirements. No mobile home or recreational vehicle shall be used as an accessory building in any residential zone district. Mobile homes may be parked or stored in the C, General Commercial or I, Class 1 Industrial zone districts, but may not be used for sleeping or housekeeping purposes, or for the conducting of any business, profession, occupation or trade therein or therefrom other than as a sales office for a mobile home dealer which has been approved as a conditional use pursuant to Chapter 17.23, Conditional Uses, of this title and Section 17.20.128 of this Chapter.
- B. One mobile home or one recreational vehicle (RV) may be used in any residential district within the City on a temporary basis for occupancy, for a period of time not to exceed six (6) months, only during the construction of a permanent home on the lot upon which the mobile home or recreational vehicle is to be placed, upon approval of the Building Official and upon the issuance of a conditional use permit by the Zoning Administrator, according to the policies and procedures set forth in

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Chapter 17.23, Conditional Uses, which permit shall be subject to the following terms and conditions:

- 1. Hookup to permanent utility services is required for any mobile home used as a temporary dwelling;*
 - 2. Any recreational vehicle used as a temporary dwelling must be entirely self-contained, unless hookup to permanent utility services is available on the site;*
 - 3. All setbacks otherwise required for the zoning district in question shall be met;*
 - 4. Installation and skirting shall be required for any mobile home used as a temporary dwelling, as provided for in Section 17.20.135(C);*
 - 5. The placement of the mobile home shall not violate the provisions of the floodplain regulations of the City;*
 - 6. The Building Official may grant an extension of time if, in his or her opinion, the construction is being diligently pursued to completion and the request for an extension of time is reasonable. The mobile home or recreational vehicle shall be removed immediately upon the completion of construction of the permanent residence or upon the expiration of the time period allowed herein or the specific period of time allowed under an extension granted by the Building Official.*
- C. A mobile home may be used for educational purposes for a period of time not to exceed two (2) years, in conjunction with an existing educational facility, upon the approval of the Building Official and subject to the terms and conditions set forth in Subsection B of this section.*
- D. In commercial and industrial zone districts one mobile home or one recreational vehicle (RV) may be used as a temporary on-site construction trailer/office only through approval of the Building Official and only for such reasonable period of time as determined by the official. The mobile office or recreational vehicle shall be removed immediately upon the completion of the project or upon the expiration of the time period allowed herein or the specific period of time allowed under an extension granted by the Building Official.*
- E. In commercial and industrial zone districts one mobile home or one recreational vehicle (RV) may be used on a temporary basis for occupancy during the construction of an approved Watchman's Quarters, for a period of time not to exceed six (6) months and upon the approval of the Building Official. The Building Official may grant an extension of time if, in his or her opinion, the construction is being diligently pursued to completion and the request for an extension of time is reasonable. The mobile home or recreational vehicle shall be removed immediately upon the completion of construction of the Watchman's Quarters or upon the expiration of the time period allowed herein or the specific period of time allowed under an extension granted by the Building Official. (Ord. 15-2013 § 6; Ord. 2-2013 § 7; Ord. 4-2002 § 3; Ord. 1-1998 § 8; Ord. 25-1991 §§ 10, 14)."*

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Observations and Policy Considerations:

- Regulations allow for use as temporary housing or occupancy for up to six months during construction;
- Regulations do not permit use or storage on residential lots otherwise;
- Regulations limit storage to commercial industrial districts;
- Regulations are straight-forward about hook-ups, being self-contained;
- Regulations deal with floodplain issues; and,
- Regulations allow the building official to extend use.

Chaffee County

"7.8.26 Recreational Vehicle While Building.

Applications involving a temporary placement of a recreational vehicle while building a home will be reviewed and approved by the Director provided it meets the following criteria:

- A. A well permit, septic permit and building permit shall each have been obtained.*
- B. There are not violations on the property of any County regulation, ordinance or state statute;*
- C. 18-month maximum permit term. Renewals shall only be considered if the building and related permits have not expired and construction is being diligently pursued."*

Observations and Policy Considerations:

- Regulation is specific to RV's for temporary housing during construction.
- Eighteen-month time period is generous but realistic for most construction project timelines for new single-family homes, for instance.
- Regulation requires evidence of water, wastewater and building permit.
- Regulation does not specify placement or any other restrictions on use or maintenance of the RV.

City of Montrose

"4-12-3: USE AND LOCATION OF TRAVEL HOMES

(A) Travel homes may be occupied as temporary dwellings only in the following circumstances:

- (1) Within a travel home park for which an occupancy permit has been issued or within a travel home park which lawfully existed at the effective date of this Chapter.*
- (2) Upon private property for temporary occupancy by out-of-town guests, for a period not to exceed thirty (30) days in any year for any tract of property.*

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4-12-4: PERMITS FOR TEMPORARY LOCATION OR OCCUPANCY OF TRAVEL HOMES

- (A) *An application for a permit for the temporary location or use of a travel home upon private property shall be made upon forms supplied by the City and appropriate fees paid as set forth in Section 3-1 of the City of Montrose Regulations Manual. (Ord. 1999, 04-15-2004)*
- (B) *A permit (for a period of up to one year) may be issued under the following circumstances by the City Manager:*
- (1) *For fire protection or security purposes in Industrial Districts.*
 - (2) *At a construction site during the construction period for non-residential purposes.*
 - (3) *Travel homes may be used as a temporary residence, on property owned by the occupants, for which a building permit for a single-family residence has been issued, and water and sewer taps purchased which meet the following criteria:*
 - (a) *The permit shall be in effect only as long as actual construction of the permanent residence is being pursued with due diligence.*
 - (b) *The owners of all abutting property must approve the use in writing.*
 - (c) *The lot size of the premises upon which the travel home is located must have an area of at least twice the minimum lot size specified in City Zoning Regulations.*
 - (d) *The travel home must be properly connected to the water and sewer system and be subject to monthly water, sewer and trash collection charges."*

Observations and Policy Considerations:

- Regulation allows for placement and use of an RV for up to one year during construction of a residential or non-residential project and is tied to completion of construction.
- Regulation is unique in requiring written approval of the temporary use by neighboring property owners.
- Regulation stipulates minimum lot size; this is unique among regulations reviewed for this scan.
- Regulation requires hook-up of RV to water, wastewater and trash collection services.

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City of Salida

“Except as otherwise provided for in this section, recreational vehicles may be occupied for residential or commercial use for no more than five (5) days on private property within a thirty (30) day period. Otherwise, recreational vehicles shall be used for human occupancy only when permitted as a conditional use in accordance with this Chapter or when located within a lawful mobile home park or recreational vehicle park. Occupancy of a recreational vehicle for commercial or residential use in excess of this limit shall be deemed a long-term occupancy of such vehicle and shall only be permitted as a conditional use in designated zone districts in accordance with the standards of such underlying zone district and as specified herein.”

“Long-term occupancy of recreational vehicles for residential or commercial use shall only be permitted as a conditional use in accordance with Tables 16-D, respectively, if the following standards are met.

- a. The recreational vehicle proposed for long-term occupancy must be located on a previously established mobile home site.*
- b. All long-term occupancy recreational vehicles shall have a minimum square footage of one hundred twenty (120) square feet and hard-sided exteriors. No soft-sided exteriors shall be permitted.*
- c. The minimum setbacks for long-term occupancy recreational vehicles shall meet the standards for a primary structure in the underlying zone district.*
- d. Each long-term occupancy recreational vehicle shall count towards one unit of a lot’s allowed density. Long-term occupancy recreational vehicles shall not exceed the permitted density for any lot.*
- e. Long-term occupancy recreational vehicles shall be separated from each other and from other structures by at least ten (10) feet. Any accessory structure such as attached awnings or carport shall be considered part of the recreational vehicle for purposes of this requirement.”*

Observations and Policy Considerations:

- Regulations allow for use as temporary housing or occupancy for up to six months during construction;
- Regulations do not permit use or storage on residential lots otherwise;
- Regulations limit storage to commercial industrial districts;
- Regulations are straight-forward about hooks-ups, being self-contained;
- Regulations deal with floodplain issues; and,
- Regulations allow the building official to extend use.

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III. Alternatives & Potential Implications

This policy scan was performed to inform the Town Board and to generate discussion regarding desired policy formation, if any, and processes for drafting and adoption of any new regulations or standards applicable to camping, temporary housing or the use and storage of recreational vehicles within the Town.

Typical policy or action alternatives include:

1. Do nothing; direct staff to maintain status quo and consider re-addressing the question of whether to regulate camping, temporary housing, or the use and parking of RVs in the future if warranted by conditions.
2. Direct staff to pursue adoption of some, but not all, regulations or standards (draft and adopt camping regulations, but not temporary housing or RV regulations, for instance).
3. Direct staff to pursue adoption of all regulations (camping, temporary housing and RV regulations) while gathering input from residents and other stakeholders prior to drafting any new language or enacting any new ordinances.

**MINUTES OF THE REGULAR MEETING OF THE
FAIRPLAY BOARD OF TRUSTEES
May 21, 2018**

CALL TO ORDER REGULAR MEETING OF THE BOARD OF TRUSTEES

The regular meeting of the Board of Trustees for the Town of Fairplay was called to order at 6:00 p.m. in the Council Chambers located in the Fairplay Town Hall, 901 Main Street, by Mayor Frank Just who proceeded with the pledge of allegiance, followed by the roll call which was answered by Trustees Scott Dodge, Eve Stapp and Ray Douglas. Also in attendance were Town Administrator/Clerk Tina Darrah, Public Works Director Vaughn Mead, Interim Police Chief Bo Schlunsen, Town Treasurer Kim Wittbrodt and Assistant to the Town Administrator Mason Green.

AGENDA ADOPTION

Motion #1 by Trustee Douglas, seconded by Trustee Stapp, that the agenda be adopted as presented. Motion carried unanimously.

CONSENT AGENDA *(The Consent Agenda is intended to allow the Board to spend its time on more complex items. These items are generally perceived as non-controversial and can be approved by a single motion. The public or the Board Members may ask that an item be removed from the Consent Agenda for individual consideration.)*

- A. APPROVAL OF MINUTES – May 7, 2018**
- B. APPROVAL OF EXPENDITURES – Approval of bills of various Town Funds in the amount of \$145,467.05.**

Motion #2 by Trustee Dodge, seconded by Trustee Douglas, that the consent agenda be adopted as presented. A roll call vote was taken: Dodge - yes, Stapp – yes, Just – yes, Douglas – yes. Motion carried unanimously.

APPOINTMENT OF BOARD VACANCY

Mayor Just spoke about the duties and responsibilities that a Town Trustee has and thanked the five applicants for their interest in the position. Mayor Just then asked the applicants to stand and speak to the Board about why they are interested in, and qualified for, the position of Town Trustee. Jim Dexter, David Michael Smith, Pamela Stone, Cindy Bear and Josh Voorhis each stood and spoke to the Board about their interest in the position and their qualifications. Each candidate also answered questions from the Board of Trustees. The Board of Trustees then took an open vote to appoint a Trustee to fill their vacant seat. The vote was as follows: Trustee Stapp – Cindy Bear, Trustee Douglas – Cindy Bear, Trustee Dodge – Josh Voorhis, Mayor Just – Cindy Bear. Cindy Bear was appointed to the open position of Town Trustee and was sworn in by Mayor Just.

CITIZEN COMMENTS

No citizen comments were offered.

PUBLIC HEARING:

Should the Board Approve a Hotel and Restaurant Liquor License as Applied for by Constance Schoppe, owner of The Middle Fork Restaurant located in The Fairplay-Valiton Hotel at 500 Main Street?

Mayor Just opened the public hearing at 6:32p.m. and read a brief opening statement stating jurisdiction and outlining procedures for the public hearing.

He then asked for staff comment, which was offered by Town Administrator Darrah who stated that the public hearing had been posted in accordance with Colorado Revised Statutes and that Ms. Schoppe had completed the entire liquor license application, paid all of the required fees, and had passed the required building inspections. Town Administrator Darrah then stated that staff recommends approval and answered questions from the Board.

Mayor Just asked for public comment in favor of approval of the application.

Constance Schoppe, 500 Main Street, offered comment urging the Board to approve the application stating that she had previously held a liquor license in her name at this location and no violations occurred during that period of time.

Mayor Just asked for public comment in opposition to the approval of this license application.

There were no comments in opposition

Town Attorney Phillips stated that at this time, the Board could only approve the application pending the results of Ms. Schoppe's background check and ratify their decision at the June 4th Board of Trustees meeting.

Mayor Just closed the hearing at 6:52p.m.

Motion #3 by Trustee Douglas, seconded by Trustee Dodge, that the Board approve a Hotel and Restaurant Liquor License as applied for by Constance Schoppe, owner of The Middle Fork Restaurant located in The Fairplay-Valiton Hotel at 500 Main Street pending the results of her background check. A voice vote was taken: Just- Yes, Dodge – Yes, Douglas – Yes, Bear – Yes, Stapp – No. Motion carried 4-1.

PRESENTATION

A. Presentation by Bob Brands Regarding Gold Pan Mobile Home Park Improvements

Bob Brands presented his plan to invest multi-millions of dollars into improving his mobile home parks over the next five years. Mr. Brands stated that he has entered into an agreement with a company to purchase new, "heavy," mobile homes that will be more resilient to the altitude and weather of Fairplay. Mr. Brands stated that he will lease and sell these "heavy" mobile homes to interested parties and has plans to purchase ten of these mobile homes in 2018. Mr. Brands answered questions from the Board and the Board requested that Mr. Brands attend future CDOT meetings to speak on the need for the residents of his mobile home park to be able to safely cross U.S. Highway.

UNFINISHED BUSINESS

A. Other discussion items

No other discussion items were offered.

NEW BUSINESS

A. Should the Board Approve Adoption of Resolution No. 20, series of 2018, entitled, "A RESOLUTION OF THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, AUTHORIZING THE EXECUTION OF A PROPERTY IMPROVEMENT INCENTIVE PROGRAM (PIIP) AGREEMENT BETWEEN THE TOWN AND KEVIN HAYES FOR THE 728 FRONT STREET EXTERIOR PROJECT."?

Town Treasurer Wittbrodt presented the PIIP application submitted by Kevin and Trina Hayes for the 728 Front Street Exterior Project and stated that the application was complete and in compliance with the PIIP rules and regulations. The applicant is requesting \$584 from the Town towards the \$1,100 (plus the cost of paint) project that will include the repair and repainting of the west and front sides of the building at 532 Front Street. There is \$14,004 remaining in the PIIP budget for 2018 and staff recommends approval.

Kevin Hayes introduced himself to the Board and answered Board questions regarding the exterior project at 728 Front Street.

Motion #4 by Trustee Dodge, seconded by Trustee Stapp, that the Board Approve Adoption of Resolution No. 20, series of 2018, entitled, "A RESOLUTION OF THE BOARD OF TRUSTEES FOR THE TOWN OF FAIRPLAY, COLORADO, AUTHORIZING THE EXECUTION OF A PROPERTY IMPROVEMENT INCENTIVE PROGRAM (PIIP) AGREEMENT BETWEEN THE TOWN AND KEVIN HAYES FOR THE 728 FRONT STREET EXTERIOR PROJECT." A roll call vote was taken: Dodge - yes, Stapp – yes, Just - yes, Douglas – yes, Bear - yes. Motion carried unanimously.

B. Other new business

No other new business offered.

BOARD OF TRUSTEES AND STAFF REPORTS

Assistant to the Town Administrator Green spoke about the progress made in meeting with community members and groups to share information about the Boards decision to pursue two OEDIT Grants and ask for letters of

Minutes, May 21, 2018

Assistant to the Town Administrator Green stated that he had met with several community members, community groups and business owners and has plans to continue meetings through the week of the 21st of May.

Treasurer Wittbrodt stated that staff hired Nikki Griffin to fill the open position of Deputy Clerk. Ms. Griffin will be in on May 22nd for an orientation with Treasurer Wittbrodt and Town Administrator Darrah and will officially start June 4th. Treasurer Wittbrodt also stated that FEMA has given the Town approval to seek bids to repair the damage caused by the 2015 flooding. Staff will be seeking bids for the dredging of Fairplay Beach Reservoir, the Repair of Beach Road, and Repairs to the Spillway.

Public Works Director Mead submitted a written staff report to the Board and spoke about the progress that was made by Building Inspector Kasper on the kiosks, as well as the progress Mountain Peak Controls had made on a proposal to upgrade equipment at the water plant.

Town Administrator Darrah spoke about the difficulty in hiring a new Deputy Clerk due to the great quality of candidates. Town Administrator Darrah also thanked Brannon Sand and Gravel and Betone LLC. for donating their time and labor to build the new event site off of Platte Drive.

Trustee Dodge took the time to thank all of the applicants that were interested in the open seat on the Board. Trustee Dodge also thanked those who participated in the cemetery clean up and spoke about what was accomplished.

Mayor Just stated that the construction of the event area off of Platte Drive has been completed and thanked Brannon Sand and Gravel, Coleman Trucking and KFW Trucking for donating material and labor in order to complete the new event site off of Platte Drive. Mayor Just also thanked those that participated in the cemetery cleanup and those that applied for the vacant Trustee position. Lastly, Mayor Just reminded those in attendance that Channel 7 News would be airing an interview about the impact of gold mining on our community that evening at 10:00pm.

ADJOURNMENT

Mayor Just, noting that there being no further business before the Board, declared that the meeting be adjourned at 8:05 p.m.

Frank Just, Mayor

ATTEST:

Mason Green, Assistant to the Town Administrator



MEMORANDUM

TO: Mayor and Board of Trustees
FROM: Kim Wittbrodt, Treasurer
RE: Paid Bills/Financials
DATE: 5/31/2018

Agenda Item: Bills

Attached is the list of invoices paid through May 30, 2018.

Total Expenditures: \$23,955.96.

Upon motion to approve the consent agenda, the expenditures will be approved.

Financial Statement: Please find attached the financial statements for all funds through April 30, 2018.

Please contact me with any questions.

Report Criteria:
Detail report type printed

Check Issue Date	Check Number	Name	Description	Seq	Invoice Date	Check Amount	GL Account
05/23/2018	13782	American Water Works As	membership fee	1	04/27/2018	315.00	507230
Total 78:						315.00	
05/23/2018	13784	CIRSA	workmans comp	1	01/01/2018	2.00	507014
Total 418:						2.00	
05/23/2018	13793	Postal Pros Southwest, inc	water billing	1	05/04/2018	149.06	507310
05/23/2018	13793		water billing	2	05/04/2018	149.06	617310
Total 1699:						298.12	
05/23/2018	13795	Thompson, Joshua	cell phone reimburse	1	05/23/2018	12.50	617320
05/23/2018	13795		cell phone reimburse	2	05/23/2018	12.50	507320
05/23/2018	13795		cell phone reimburse	3	05/23/2018	25.00	105645
Total 2108:						50.00	
05/23/2018	13796	Wemer, Claudia	cell phone reimb	1	05/23/2018	50.00	105065
Total 2242:						50.00	
05/23/2018	13799	Xcel Energy	945 quarry road	1	05/23/2018	14.18	507185
Total 2296:						14.18	
05/23/2018	13787	Darrah, Tina	Cell Phone	1	05/23/2018	50.00	105065
Total 2462:						50.00	
05/17/2018	13777	CARD SERVICES	gift for mayor	1	05/01/2018	714.98	105110
05/17/2018	13777		food for meeting	2	05/01/2018	61.77	105630
05/17/2018	13777		Pw uniform vest	3	05/01/2018	172.50	105630
05/17/2018	13777		Pw uniform vest	4	05/01/2018	172.50	507160
05/17/2018	13777		Training	5	05/01/2018	500.00	507050
05/17/2018	13777		shop supplies	6	05/01/2018	168.94	105630
05/17/2018	13777		food for judges	7	05/01/2018	117.90	105050
05/17/2018	13777		Postage	8	05/01/2018	13.65	105162
05/17/2018	13777		Postage	9	05/01/2018	.50	105035
05/17/2018	13777		food for meeting	10	05/01/2018	96.59	105070
05/17/2018	13777		Cml conference	11	05/01/2018	358.00	105110
05/17/2018	13777		food for meeting	12	05/01/2018	93.17	105070
05/17/2018	13777		help wanted ad	13	05/01/2018	25.47	106125
05/17/2018	13777		food for meeting	14	05/01/2018	111.36	105070
05/17/2018	13777		website hosting	15	05/01/2018	44.97	105172
05/17/2018	13777		website hosting	16	05/01/2018	29.98	105164
05/17/2018	13777		Postage	17	05/01/2018	8.33	105164
05/17/2018	13777		Postage	18	05/01/2018	50.00	105135
05/17/2018	13777		Supplies	19	05/01/2018	167.90	105150
05/17/2018	13777		Supplies	20	05/01/2018	289.69	105171
05/17/2018	13777		dues	21	05/01/2018	260.00	105140
05/17/2018	13777		Postage	22	05/01/2018	6.70	105630
05/17/2018	13777		Supplies	23	05/01/2018	7.89	507303

Check Issue Date	Check Number	Name	Description	Seq	Invoice Date	Check Amount	GL Account
05/17/2018	13777		Supplies	24	05/01/2018	7.90	617303
05/17/2018	13777		Supplies	25	05/01/2018	19.89	507303
05/17/2018	13777		Supplies	26	05/01/2018	19.89	617303
05/17/2018	13777		Supplies	27	05/01/2018	39.99	105130
05/17/2018	13777		Supplies	28	05/01/2018	49.99	105445
05/17/2018	13777		Supplies	29	05/01/2018	49.99	105120
05/17/2018	13777		Supplies	30	05/01/2018	40.98	507303
05/17/2018	13777		Supplies	31	05/01/2018	40.98	617303
05/17/2018	13777		Postage	32	05/01/2018	15.30	105130
05/17/2018	13777		Supplies	33	05/01/2018	32.50	105015
05/17/2018	13777		Supplies	34	05/01/2018	107.40	105110
05/17/2018	13777		Supplies	35	05/01/2018	294.99	507303
05/17/2018	13777		Supplies	36	05/01/2018	294.99	617303
05/17/2018	13777		Postage	37	05/01/2018	6.70	105340
05/17/2018	13777		dues	38	05/01/2018	99.00	105140
05/17/2018	13777		Postage	39	05/01/2018	.71	105050
05/17/2018	13777		Postage	40	05/01/2018	25.00	507310
05/17/2018	13777		Postage	41	05/01/2018	25.00	617310
05/17/2018	13777		Supplies	42	05/01/2018	196.20	105150
05/17/2018	13777		Supplies	43	05/01/2018	65.40	105162
05/17/2018	13777		Supplies	44	05/01/2018	65.40	105164
05/17/2018	13777		Supplies	45	05/01/2018	65.40	105171
05/17/2018	13777		Supplies	46	05/01/2018	65.36	105172
Total 2503:						5,101.76	
05/23/2018	13798	Wittbrodt, Kim	cell phone reimb	1	05/23/2018	50.00	105065
Total 2655:						50.00	
05/23/2018	13791	Mead, Vaughn	cell phone reimb	1	05/23/2018	25.00	105645
05/23/2018	13791		cell phone reimb	2	05/23/2018	12.50	507320
05/23/2018	13781		cell phone reimb	3	05/23/2018	12.50	617320
Total 2739:						50.00	
05/23/2018	13789	Kasper, Gerrits	cell phone reimb	1	05/23/2018	50.00	105645
Total 2747:						50.00	
05/23/2018	13786	Collegiate Peaks Bank	loan number 170047001	1	05/17/2018	15,496.78	105020
Total 2748:						15,496.78	
05/23/2018	13783	Bullock, Julie	cell phone reimburse	1	05/23/2018	50.00	105065
05/23/2018	13783		reimburse supplies	1	05/23/2018	5.99	105170
Total 2812:						55.99	
05/23/2018	13785	Clearwater Cleanup Comp	sludge disposal	1	05/16/2018	994.13	617150
Total 2859:						994.13	
05/23/2018	13792	Municode	update code book	1	05/07/2018	598.00	105075
Total 2890:						598.00	

Check Issue Date	Check Number	Name	Description	Seq	Invoice Date	Check Amount	GL Account
05/23/2018	13794	Schlunsen, Arthur	cell phone reimburse	1	05/23/2018	50.00	105455
Total 2988:						50.00	
05/23/2018	13790	Kaupus Water Labs, Inc.	chlorine	1	05/17/2018	630.00	507130
Total 2999:						630.00	
05/23/2018	13797	White, Kathleen	cell phone	1	05/23/2018	25.00	105645
05/23/2018	13797		cell phone	2	05/23/2018	12.50	507320
05/23/2018	13797		cell phone	3	05/23/2018	12.50	617320
Total 3004:						50.00	
05/23/2018	13788	Green, Mason	cell phone	1	05/23/2018	50.00	105065
Total 3175:						50.00	
Grand Totals:						23,955.96	

Report Criteria:

Detail report type printed

TOWN OF FAIRPLAY
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2018

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>TAXES</u>					
10-40-05 AD VALOREM TAX	16,306.98	79,070.97	192,172.00	113,101.03	41.2
10-40-10 SPEC. OWNERSHIP TAX	2,166.12	6,568.13	20,000.00	13,431.87	32.8
10-40-30 INTEREST ON PROPERTY TAX	.61	71.49	1,000.00	928.51	7.2
10-40-40 DELINQUENT TAXES	.00	348.99	500.00	151.01	69.8
10-40-55 50% SHAREBACK OF R&B LEVY	681.36	2,907.97	5,600.00	2,692.03	51.9
10-40-60 MOTOR VEHICLE REGISTRATION	306.00	814.00	3,800.00	2,986.00	21.4
10-40-70 SALES TAX	37,892.14	182,598.46	655,043.00	472,444.54	27.9
10-40-75 SALES TAX - STREETS	12,630.72	60,866.14	218,348.00	157,481.86	27.9
10-40-80 HIGHWAY USER'S TAX	2,414.03	7,586.74	32,000.00	24,413.26	23.7
10-40-85 SEVERANCE TAX	.00	.00	2,500.00	2,500.00	.0
10-40-86 MINERAL LEASE REVENUE	.00	.00	1,000.00	1,000.00	.0
10-40-90 CIGARETTE TAX	234.67	766.66	2,200.00	1,433.34	34.9
10-40-96 LODGING TAX	1,786.00	6,878.00	35,000.00	28,122.00	19.7
TOTAL TAXES	74,418.63	348,477.55	1,169,163.00	820,685.45	29.8
<u>LICENSES</u>					
10-41-10 LIQUOR LICENSES	750.00	1,125.00	1,750.00	625.00	64.3
10-41-30 DOG LICENSES	.00	60.00	100.00	40.00	60.0
10-41-32 LIVESTOCK PERMIT	.00	25.00	60.00	35.00	41.7
10-41-34 COMMERCIAL FLY FISHING PERMIT	.00	.00	150.00	150.00	.0
10-41-40 BUILDING PERMITS	300.00	450.00	3,000.00	2,550.00	15.0
10-41-41 SURCHARGE: STREETS	35.00	52.50	225.00	172.50	23.3
10-41-42 SURCHARGE: PARKS & REC	35.00	52.50	225.00	172.50	23.3
10-41-50 FRANCHISE TAX	2,587.34	8,030.65	50,000.00	41,969.35	16.1
10-41-60 GOLD PANNING PERMITS/DONATION	430.00	510.00	5,000.00	4,490.00	10.2
10-41-70 BUSINESS LICENSES	125.00	6,225.00	6,000.00	(225.00)	103.8
10-41-80 SIGN PERMITS	.00	150.00	400.00	250.00	37.5
10-41-90 EXCAVATION PERMIT	.00	.00	200.00	200.00	.0
10-41-92 MECHANICAL PERMIT	.00	100.00	.00	(100.00)	.0
10-41-94 STREET CUT PERMIT	.00	.00	500.00	500.00	.0
10-41-96 FENCE PERMIT	.00	.00	240.00	240.00	.0
10-41-97 SPECIAL EVENTS PERMIT	.00	.00	2,500.00	2,500.00	.0
10-41-98 RESIDE/REROOF PERMIT	400.00	500.00	1,000.00	500.00	50.0
TOTAL LICENSES	4,662.34	17,280.65	71,350.00	54,069.35	24.2
<u>FEE INCOME</u>					
10-42-75 PLANNING & DEVELOPMENT FEES	.00	428.25	2,000.00	1,571.75	21.4
10-42-90 COPIES & FAXES	2.00	104.50	400.00	295.50	26.1
TOTAL FEE INCOME	2.00	532.75	2,400.00	1,867.25	22.2

TOWN OF FAIRPLAY
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2018

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>LAW ENFORCEMENT</u>					
10-45-05 TRAFFIC FINES	265.00	875.00	30,000.00	29,125.00	2.9
10-45-10 SURCHARGE: POLICE TRAINING	45.00	135.00	3,000.00	2,865.00	4.5
10-45-15 COURT COSTS	31.00	62.00	1,800.00	1,738.00	3.4
10-45-20 DEFAULT FEES	.00	(15.00)	150.00	165.00	(10.0)
10-45-30 OTHER FINES	30.00	55.00	1,000.00	945.00	5.5
10-45-80 VIN INSPECTIONS	22.50	75.00	200.00	125.00	37.5
10-45-90 MISCELLANEOUS	.00	.00	1,000.00	1,000.00	.0
10-45-95 GRANT/REIMBURSEMENT	.00	.00	8,000.00	8,000.00	.0
TOTAL LAW ENFORCEMENT	393.50	1,187.00	45,150.00	43,963.00	2.6
<u>INTEREST INCOME</u>					
10-46-05 INTEREST ON COLOTRUST	805.41	2,017.39	285.00	(1,732.39)	707.9
10-46-30 INTEREST ON CHECKING	27.37	296.13	3,000.00	2,703.87	9.9
TOTAL INTEREST INCOME	832.78	2,313.52	3,285.00	971.48	70.4
<u>MISCELLANEOUS INCOME</u>					
10-47-00 MISCELLANEOUS INCOME	.00	938.47	5,000.00	4,061.53	18.8
10-47-10 CEMETERY	600.00	600.00	300.00	(300.00)	200.0
10-47-39 FOURTH OF JULY DONATIONS	.00	.00	8,500.00	8,500.00	.0
10-47-49 STREET LIGHTING	805.82	3,528.38	10,800.00	7,271.62	32.7
10-47-50 SUMMER CONCERT SERIES	.00	.00	17,000.00	17,000.00	.0
10-47-52 REAL COLORADO CHRISTMAS	.00	.00	1,000.00	1,000.00	.0
10-47-54 VICTORIAN BALL	.00	.00	5,000.00	5,000.00	.0
10-47-55 BEAD & FIBER SHOW	525.00	775.00	3,000.00	2,225.00	25.8
10-47-56 BURRO DAYS	2,637.00	14,702.00	50,000.00	35,288.00	29.4
10-47-59 BURRO DAYS RETAIL SALES	(.66)	116.34	.00	(116.34)	.0
10-47-80 525 HATHAWAY - RENT & UTILITY	600.70	900.70	3,000.00	2,099.30	30.0
10-47-70 PLEIN AIR EVENT	.00	3,020.00	25,000.00	21,980.00	12.1
10-47-82 CAMPING PERMITS/FACILITY USE	.00	.00	50.00	50.00	.0
10-47-87 GRANT REVENUE	.00	.00	45,000.00	45,000.00	.0
10-47-90 MISCELLANEOUS REVENUE-EVENTS	13.65	13.65	3,000.00	2,986.35	.5
10-47-91 TOWN HALL - 901 MAIN	12,397.00	12,397.00	12,397.00	.00	100.0
TOTAL MISCELLANEOUS INCOME	17,578.51	36,991.54	189,047.00	152,055.46	19.6
TOTAL FUND REVENUE	97,887.76	406,783.01	1,480,395.00	1,073,611.99	27.5

TOWN OF FAIRPLAY
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2018

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>ADMINISTRATION</u>					
10-50-02 401(A) EMPLOYER MATCH	472.64	1,770.74	5,246.00	3,475.26	33.8
10-50-05 SALARIES -ADMIN./CLERK/TREASUR	13,671.49	54,857.48	166,544.00	111,686.52	32.9
10-50-11 SS/MEDICARE EXPENSE	1,081.05	4,315.49	12,906.00	8,590.51	33.4
10-50-12 UNEMPLOYMENT EXPENSE	42.59	170.03	506.00	335.97	33.6
10-50-13 EMPLOYEE HEALTH INSURANCE	3,184.69	13,529.29	36,410.00	22,880.71	37.2
10-50-14 WORKER'S COMPENSATION	.00	538.00	538.00	.00	100.0
10-50-15 EDUCATION	84.28	2,615.83	3,000.00	384.17	87.2
10-50-16 ADMIN VEHICLE	276.92	1,107.68	3,600.00	2,492.32	30.8
10-50-20 TOWN HALL EXPENSE	.00	.00	30,994.00	30,994.00	.0
10-50-23 TOWN HALL EXPENSE - UTILITIES	641.32	2,129.29	7,000.00	4,870.71	30.4
10-50-25 TOWN HALL EXPENSE - BLDG. REP	.00	247.10	15,000.00	14,752.90	1.7
10-50-27 TOWN HALL EXPENSE - SUPPLIES	4.77	100.52	1,200.00	1,099.48	8.4
10-50-30 OFFICE SUPPLIES	98.51	1,571.62	2,500.00	928.38	62.9
10-50-32 EQUIPMENT RENTAL	380.18	1,768.50	5,300.00	3,531.50	33.4
10-50-35 POSTAGE EXPENSE	4.30	103.06	500.00	396.94	20.6
10-50-40 BANK/CREDIT CARD FEES	80.99	228.51	1,300.00	1,071.49	17.6
10-50-50 ELECTION EXPENSE	1,065.47	1,095.74	2,000.00	904.26	54.8
10-50-55 BOARD OF TRUSTEE SALARY	240.00	675.00	2,160.00	1,485.00	31.3
10-50-57 TOWN ATTY LEGAL SERVICES	4,330.00	5,540.00	20,000.00	14,460.00	27.7
10-50-60 COMPUTER/SOFTWARE/SUPPORT	439.50	1,758.00	7,000.00	5,242.00	25.1
10-50-65 TELEPHONE/INTERNET	747.07	3,470.31	8,200.00	4,729.69	42.3
10-50-70 MISCELLANEOUS EXPENSE	235.51	827.21	2,500.00	1,672.79	33.1
10-50-75 CODIFICATION	.00	225.00	2,000.00	1,775.00	11.3
10-50-78 ESTIP AGREEMENT	.00	.00	42,000.00	42,000.00	.0
10-50-95 EMPLOYEE HOUSING	1,160.00	1,667.46	.00	(1,667.46)	.0
TOTAL ADMINISTRATION	28,241.28	100,311.86	378,404.00	278,092.14	26.5

TOWN OF FAIRPLAY
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2018

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>COMMUNITY DEVELOPMENT</u>					
10-51-05 PROFESSIONAL FEES	1,059.00	1,241.00	5,000.00	3,759.00	24.8
10-51-10 EDUCATION/BENEVOLENCE (BOT)	351.68	736.17	5,000.00	4,263.83	14.7
10-51-20 VISITOR CENTER	52.37	639.04	2,000.00	1,360.96	32.0
10-51-30 ADVERTISING AND MARKETING	3,656.73	6,373.27	12,000.00	5,626.73	53.1
10-51-34 TOWN BEAUTIFICATION	(12.46)	8,587.42	10,000.00	1,412.58	85.9
10-51-35 TOWN CLEAN UP	.00	.00	10,000.00	10,000.00	.0
10-51-40 DUES AND MEMBERSHIPS	.00	.00	500.00	500.00	.0
10-51-50 TGFairplay EXPENSE	110.02	511.06	17,000.00	16,488.94	3.0
10-51-62 BURRO DAYS	425.00	5,751.02	35,000.00	29,248.98	16.4
10-51-64 BEAD AND FIBER SHOW	14.99	29.98	3,000.00	2,970.02	1.0
10-51-70 MISCELLANEOUS EVENTS	31.59	57.69	10,000.00	9,942.31	.6
10-51-71 FIREWORKS/4TH OF JULY	.00	1,100.00	12,000.00	10,900.00	9.2
10-51-72 PLEIN AIR EVENT	67.35	67.35	22,500.00	22,432.65	.3
10-51-74 REAL COLORADO CHRISTMAS	40.00	149.77	4,000.00	3,850.23	3.7
10-51-75 DONATIONS	1,200.00	1,300.00	2,500.00	1,200.00	52.0
10-51-83 VICTORIAN BALL	.00	.00	5,000.00	5,000.00	.0
10-51-85 PROPERTY IMPROVEMENT INCENTIV	.00	.00	20,000.00	20,000.00	.0
10-51-90 525 HATHAWAY	764.11	2,766.93	8,000.00	5,233.07	34.6
TOTAL COMMUNITY DEVELOPMENT	7,760.38	29,310.70	183,500.00	154,189.30	16.0
<u>JUDICIAL SYSTEM</u>					
10-53-02 401(A) EMPLOYER MATCH	41.78	151.90	403.00	251.10	37.7
10-53-05 MUNICIPAL JUDGE SALARY	600.00	2,400.00	7,800.00	5,400.00	30.8
10-53-10 COURT CLERK	976.16	4,230.03	11,750.00	7,519.97	36.0
10-53-11 SS/MEDICARE EXPENSE	119.83	504.19	1,496.00	991.81	33.7
10-53-12 UNEMPLOYMENT EXPENSE	4.73	19.91	59.00	39.09	33.8
10-53-13 EMPLOYEE HEALTH INSURANCE	351.54	1,582.82	4,370.00	2,787.18	36.2
10-53-14 WORKER'S COMPENSATION	.00	40.00	40.00	.00	100.0
10-53-20 COURT ATTORNEY	.00	.00	500.00	500.00	.0
10-53-40 OPERATING EXPENSE	.00	312.25	450.00	137.75	69.4
10-53-50 DUES AND MEMBERSHIPS	.00	.00	22.00	22.00	.0
TOTAL JUDICIAL SYSTEM	2,094.04	9,241.10	26,890.00	17,648.90	34.4

TOWN OF FAIRPLAY
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2018

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
PUBLIC SAFETY					
10-54-01 POLICE SALARIES	5,000.00	20,000.00	192,000.00	172,000.00	10.4
10-54-04 PART TIME OFFICERS	.00	.00	8,840.00	8,840.00	.0
10-54-05 PENSION CONTRIBUTION	535.00	2,140.00	20,544.00	18,404.00	10.4
10-54-10 UNIFORMS AND ACCESSORIES	.00	.00	3,000.00	3,000.00	.0
10-54-11 SS/MEDICARE EXPENSE	72.50	290.00	3,460.00	3,170.00	8.4
10-54-12 UNEMPLOYMENT EXPENSE	15.00	60.00	603.00	543.00	10.0
10-54-13 EMPLOYEE HEALTH INSURANCE	1,504.35	6,017.40	83,751.00	77,733.60	7.2
10-54-14 WORKER'S COMPENSATION	.00	6,902.00	6,902.00	.00	100.0
10-54-15 GASOLINE	203.22	749.13	5,000.00	4,250.87	15.0
10-54-20 VEHICLE MAINTENANCE	.00	1,896.08	6,000.00	4,103.92	31.6
10-54-24 PROFESSIONAL TRAINING EXPENSE	113.75	113.75	4,000.00	3,886.25	2.8
10-54-26 IN-SERVICE TRAINING EXPENSE	.00	.00	1,000.00	1,000.00	.0
10-54-28 VEHICLE RENTAL PAYMENT	1,238.42	4,953.68	14,861.00	9,907.32	33.3
10-54-30 RADAR & RADIO MAINTENANCE	.00	.00	500.00	500.00	.0
10-54-45 OPERATING SUPPLIES	100.30	270.98	1,000.00	729.02	27.1
10-54-50 EQUIPMENT EXPENSE	.00	.00	3,000.00	3,000.00	.0
10-54-53 GRANT-EQUIPMENT & SUPPLIES	.00	2,833.80	1,918.00	(915.80)	147.8
10-54-55 TELEPHONE - POLICE LINE	200.15	790.56	4,200.00	3,409.44	18.8
10-54-60 MEMBERSHIPS - DUES	.00	.00	150.00	150.00	.0
10-54-65 COMPUTER/SOFTWARE/SUPPORT	.00	3,073.00	3,600.00	527.00	85.4
10-54-75 INVESTIGATIVE SERVICES	.00	600.00	1,000.00	400.00	60.0
10-54-80 OFFICER RECRUITING	.00	.00	3,000.00	3,000.00	.0
10-54-97 PUBLIC RELATIONS	.00	.00	500.00	500.00	.0
TOTAL PUBLIC SAFETY	8,982.69	50,690.38	368,829.00	318,138.62	13.7
PUBLIC WORKS					
10-56-01 SALARIES	7,622.56	28,070.96	78,028.00	49,957.04	36.0
10-56-02 401(A) EMPLOYER MATCH	291.17	967.11	2,591.00	1,623.89	37.3
10-56-10 SEASONAL WAGES	.00	.00	7,680.00	7,680.00	.0
10-56-11 SS/MEDICARE EXPENSE	576.20	2,119.72	6,557.00	4,437.28	32.3
10-56-12 UNEMPLOYMENT EXPENSE	22.89	84.29	257.00	172.71	32.8
10-56-13 EMPLOYEE HEALTH INSURANCE	2,906.47	11,625.88	30,527.00	18,901.12	38.1
10-56-14 WORKER'S COMPENSATION	.00	4,994.00	4,994.00	.00	100.0
10-56-15 GASOLINE & OIL - STREETS	208.23	1,313.04	3,500.00	2,186.96	37.5
10-56-25 REPAIRS & MAINT - EQUIPMENT	15.11	651.52	6,000.00	5,348.48	10.9
10-56-30 TOOLS, MAT'L'S, & SUPPLIES	1,179.62	8,637.99	10,500.00	1,862.01	82.3
10-56-35 EDUCATION & TRAINING	248.75	622.36	1,000.00	377.64	62.2
10-56-40 ELECTRIC STREET LIGHTS & SIGNS	334.49	1,070.10	9,000.00	7,929.90	11.9
10-56-45 TELEPHONE	125.00	520.08	1,800.00	1,279.92	28.9
10-56-50 MAINTENANCE BUILDING - UTILITY	(920.30)	2,503.48	6,500.00	3,996.52	38.5
10-56-60 VEHICLE RENTAL PAYMENT	1,391.82	5,567.68	16,703.00	11,135.32	33.3
10-56-70 STREET REPAIRS	1,200.37	2,928.85	200,000.00	197,071.15	1.5
10-56-82 TOWN SHOP BUILDING REPAIRS	1,488.00	2,248.00	1,000.00	(1,248.00)	224.8
TOTAL PUBLIC WORKS	16,690.48	73,925.06	366,637.00	312,711.94	19.1

clean sand trap

TOWN OF FAIRPLAY
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2018

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>PARKS & RECREATION</u>					
10-58-30 TOOLS, MATERIALS, & SUPPLIES	7,566.21	10,522.50	4,000.00	(6,522.50)	263.1
10-58-41 PARKS UTILITIES	26.95	118.84	550.00	431.16	21.6
10-58-42 VAULT RESTROOMS MAINTENANCE	.00	.00	500.00	500.00	.0
10-58-50 CEMETERY EXPENSE	80.78	80.78	800.00	719.22	10.1
10-58-80 FAIRPLAY BEACH PROJECT EXPENS	.00	.00	50,000.00	50,000.00	.0
10-58-95 LAND LEASE PAYMENT	.00	12,995.09	25,990.00	12,994.91	50.0
TOTAL PARKS & RECREATION	7,673.94	23,717.21	81,840.00	58,122.79	29.0
<u>NON-DEPARTMENTAL EXPENDITURE</u>					
10-61-15 LIABILITY INSURANCE	.00	14,940.00	14,940.00	.00	100.0
10-61-17 AUDIT FEES	.00	3,600.00	4,860.00	1,260.00	74.1
10-61-23 TREASURER'S FEES - MILL LEVY	326.15	1,587.03	4,500.00	2,912.97	35.3
10-61-25 PUBLISHING EXPENSE	66.02	128.13	1,000.00	871.87	12.8
10-61-30 DUES & MEMBERSHIPS	.00	1,562.00	2,000.00	438.00	78.1
10-61-50 CAPITAL IMPROVEMENTS	.00	.00	75,000.00	75,000.00	.0
10-61-60 ABATEMENT	.00	.00	2,000.00	2,000.00	.0
TOTAL NON-DEPARTMENTAL EXPEN	392.17	21,817.16	104,300.00	82,482.84	20.9
TOTAL FUND EXPENDITURES	71,834.98	309,013.47	1,530,400.00	1,221,386.53	20.2
NET REVENUE OVER EXPENDITURES	26,052.78	97,769.54	(50,005.00)	(147,774.54)	195.5

ballfield shed

TOWN OF FAIRPLAY
 REVENUES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING APRIL 30, 2018

CONSERVATION TRUST FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>INTERGOVERNMENTAL REVENUES</u>					
20-44-10 COLORADO LOTTERY FUNDS	.00	797.53	3,300.00	2,502.47	24.2
TOTAL INTERGOVERNMENTAL REVE	.00	797.53	3,300.00	2,502.47	24.2
<u>INTEREST INCOME</u>					
20-46-50 INTEREST INCOME SAVINGS	2.54	9.00	13.00	4.00	69.2
TOTAL INTEREST INCOME	2.54	9.00	13.00	4.00	69.2
TOTAL FUND REVENUE	2.54	806.53	3,313.00	2,506.47	24.3

TOWN OF FAIRPLAY
 EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING APRIL 30, 2018

CONSERVATION TRUST FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATION EXPENSE</u>					
20-73-03 BASEBALL FIELD IMPROVEMENTS	.00	.00	500.00	500.00	.0
20-73-10 COHEN PARK - IMPROVEMENTS	.00	.00	500.00	500.00	.0
TOTAL OPERATION EXPENSE	.00	.00	1,000.00	1,000.00	.0
TOTAL FUND EXPENDITURES	.00	.00	1,000.00	1,000.00	.0
NET REVENUE OVER EXPENDITURES	2.54	806.53	2,313.00	1,506.47	34.9

TOWN OF FAIRPLAY
 REVENUES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING APRIL 30, 2018

INTERNAL SERVICE FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>REVENUE</u>					
32-47-20 DEPT RENTAL PAYMENTS	3,558.34	14,233.36	42,700.00	28,466.64	33.3
TOTAL REVENUE	3,558.34	14,233.36	42,700.00	28,466.64	33.3
TOTAL FUND REVENUE	3,558.34	14,233.36	42,700.00	28,466.64	33.3
NET REVENUE OVER EXPENDITURES	3,558.34	14,233.36	42,700.00	28,466.64	33.3

TOWN OF FAIRPLAY
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2018

FAIRPLAY WATER ENTERPRISE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>UTILITY REVENUES</u>					
50-43-05 POTABLE WATER	24,298.50	128,995.36	400,000.00	271,004.64	32.3
50-43-50 LATE CHARGES	346.42	1,411.65	3,500.00	2,088.35	40.3
50-43-60 LIEN REVENUE	.00	781.80	2,000.00	1,218.20	39.1
50-43-70 PLANT INVESTMENT FEES	5,500.00	5,500.00	.00	(5,500.00)	.0
50-43-80 WATER FACILITY MAINTENANCE FEE	121.82	243.64	500.00	256.36	48.7
TOTAL UTILITY REVENUES	30,266.74	136,932.45	408,000.00	269,067.55	33.7
<u>MISCELLANEOUS INCOME</u>					
50-46-05 WATER METERS, PRV, & PARTS	(93.40)	218.95	1,000.00	781.05	21.9
50-46-10 PENALTY FOR NON-COMPLIANCE	40.00	160.00	480.00	320.00	33.3
50-46-25 INTEREST ON INVESTMENTS	608.91	2,052.71	1,800.00	(252.71)	114.0
50-46-45 FEMA PROJECT	.00	.00	375,000.00	375,000.00	.0
50-46-49 FAIRPLAY SANITATION FEES	.00	.00	160,939.00	160,939.00	.0
50-46-50 OTHER WATER REVENUE	.00	.00	100.00	100.00	.0
TOTAL MISCELLANEOUS INCOME	555.51	2,431.66	539,319.00	536,887.34	.5
TOTAL FUND REVENUE	30,822.25	139,364.11	945,319.00	805,954.89	14.7

TOWN OF FAIRPLAY
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2018

FAIRPLAY WATER ENTERPRISE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>EMPLOYEE EXPENSES</u>					
50-70-01 SALARIES	8,424.26	31,490.59	110,058.00	78,567.41	28.6
50-70-02 ICMA RC RETIREMENT	308.99	1,057.28	3,527.00	2,469.72	30.0
50-70-11 SS/MEDICARE EXPENSE	643.99	2,399.85	8,475.00	6,075.15	28.3
50-70-12 UNEMPLOYMENT EXPENSE	25.54	95.25	332.00	236.75	28.7
50-70-13 EMPLOYEE HEALTH INSURANCE	2,608.63	10,572.35	36,917.00	26,344.65	28.6
50-70-14 WORKER'S COMPENSATION	.00	641.00	643.00	2.00	99.7
50-70-50 EDUCATION - WATER OPERATORS	613.75	1,052.75	3,000.00	1,947.25	35.1
50-70-70 BOT SALARY	80.00	225.00	720.00	495.00	31.3
50-70-80 FSD EMPLOYEE EXPENSES	.00	.00	160,939.00	160,939.00	.0
TOTAL EMPLOYEE EXPENSES	12,705.16	47,534.07	324,611.00	277,076.93	14.6
<u>PLANT & EQUIPMENT</u>					
50-71-03 WATER TREATMENT PLANT	5,298.43	7,470.09	24,500.00	17,029.91	30.5
50-71-20 PUMPHOUSE EXPENSE	.00	.00	500.00	500.00	.0
50-71-30 CHEMICAL EXPENSE	.00	.00	1,700.00	1,700.00	.0 <i>unexpected tests</i>
50-71-40 WATER TESTING EXPENSE	304.08	1,723.08	900.00 (823.08)	191.5
50-71-55 LEAKS AND REPAIRS	26.74	971.55	10,000.00	9,028.45	9.7
50-71-60 TOOLS, & MAINTENANCE SUPPLIES	95.10	517.69	3,000.00	2,482.31	17.3
50-71-70 REPAIR & MAINTAIN EQUIPMENT	165.81	393.04	7,000.00	6,606.96	5.6
50-71-80 GASOLINE & OIL	104.12	656.52	2,000.00	1,343.48	32.8
50-71-85 WATER TANKS	4,125.00	4,175.01	3,000.00 (1,175.01)	139.2 <i>new robot cleaning</i>
50-71-87 VEHICLE RENTAL PAYMENT	696.00	2,784.00	8,352.00	5,568.00	33.3
50-71-90 DITCH MAINTENANCE	.00	.00	1,000.00	1,000.00	.0
50-71-95 FEMA PROJECT	675.00	675.00	500,000.00	499,325.00	.1
TOTAL PLANT & EQUIPMENT	11,490.28	19,365.98	561,952.00	542,586.02	3.5
<u>CONTRACTUAL FEES</u>					
50-72-03 ENGINEERING FEES	.00	.00	5,000.00	5,000.00	.0
50-72-10 LEGAL FEES	.00	.00	5,000.00	5,000.00	.0
50-72-20 INSURANCE FEES	.00	10,202.64	9,960.00 (242.64)	102.4
50-72-30 MEMBERSHIP DUES	8.70	433.72	1,300.00	866.28	33.4
50-72-40 AUDITOR FEES	.00	2,400.00	3,240.00	840.00	74.1
50-72-60 HASP MEMBERSHIP DUES	.00	.00	10,000.00	10,000.00	.0
TOTAL CONTRACTUAL FEES	8.70	13,036.36	34,500.00	21,463.64	37.8

TOWN OF FAIRPLAY
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2018

FAIRPLAY WATER ENTERPRISE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATION EXPENSE</u>					
50-73-03 OFFICE EXPENSE	158.61	613.12	750.00	136.88	81.8
50-73-10 POSTAGE EXPENSE	177.79	540.92	2,000.00	1,459.08	27.1
50-73-20 TELEPHONE EXPENSE	93.77	372.25	1,500.00	1,127.75	24.8
50-73-30 PUBLISHING EXPENSE	.00	.00	700.00	700.00	.0
50-73-40 WATER METERS	.00	.00	1,000.00	1,000.00	.0
50-73-50 BANK/CREDIT FEES	244.99	775.73	2,100.00	1,324.27	38.9
50-73-60 COMPUTER/SOFTWARE/SUPPORT	219.75	2,828.94	7,500.00	4,671.06	37.7
50-73-90 SHOP UTILITIES	1,319.32	3,912.44	20,000.00	16,087.56	19.6
TOTAL OPERATION EXPENSE	2,214.23	9,043.40	35,550.00	26,506.60	25.4
<u>901 MAIN STREET</u>					
50-80-80 RENT 901 MAIN STREET	12,397.00	12,397.00	12,397.00	.00	100.0
TOTAL 901 MAIN STREET	12,397.00	12,397.00	12,397.00	.00	100.0
TOTAL FUND EXPENDITURES	38,815.37	101,376.81	969,010.00	867,633.19	10.5
NET REVENUE OVER EXPENDITURES	(7,993.12)	37,987.30	(23,691.00)	(61,878.30)	160.3

TOWN OF FAIRPLAY
 REVENUES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING APRIL 30, 2018

FAIRPLAY SANITATION-GENERAL

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
60-48-05 AD VALOREM TAX	10,892.96	50,346.41	125,717.00	75,370.59	40.1
60-48-10 SO TAX	1,417.12	5,617.94	15,000.00	9,382.06	37.5
60-48-15 DELINQUENT TAX	.00	1,213.83	.00	(1,213.83)	.0
60-48-20 INTEREST	.35	44.42	.00	(44.42)	.0
TOTAL SOURCE 48	12,310.43	57,222.60	140,717.00	83,494.40	40.7
TOTAL FUND REVENUE	12,310.43	57,222.60	140,717.00	83,494.40	40.7

TOWN OF FAIRPLAY
 EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING APRIL 30, 2018

FAIRPLAY SANITATION-GENERAL

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>DEBT SERVICE</u>					
60-75-02 GO BOND PAYMENT-PRINCIPAL	70,358.78	70,358.78	140,717.00	70,358.22	50.0
TOTAL DEBT SERVICE	70,358.78	70,358.78	140,717.00	70,358.22	50.0
TOTAL FUND EXPENDITURES	70,358.78	70,358.78	140,717.00	70,358.22	50.0
NET REVENUE OVER EXPENDITURES	(58,048.35)	(13,136.18)	.00	13,136.18	.0

TOWN OF FAIRPLAY
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2018

FAIRPLAY SAN ENTERPRISE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>WASTEWATER REVENUES</u>					
61-43-05 WASTEWATER USER FEES	54,022.80	215,967.12	645,600.00	429,832.88	33.5
61-43-10 WASTEWATER USER FEES-LIEN COL	.00	812.01	3,650.00	2,837.99	22.3
61-43-20 WASTEWATER USE FEES-LIEN INTER	.00	.00	50.00	50.00	.0
61-43-50 LATE CHARGES	620.00	2,531.34	7,000.00	4,468.66	36.2
61-43-60 PLANT INVESTMENT FEE	6,851.00	6,851.00	.00	(6,851.00)	.0
TOTAL WASTEWATER REVENUES	61,493.80	226,161.47	656,300.00	430,138.53	34.5
<u>MISCELLANEOUS REVENUE</u>					
61-46-10 INTEREST	2,247.73	7,851.47	15,000.00	7,148.53	52.3
61-46-20 MISCELLANEOUS REVENUE	.00	.00	500.00	500.00	.0
TOTAL MISCELLANEOUS REVENUE	2,247.73	7,851.47	15,500.00	7,648.53	50.7
TOTAL FUND REVENUE	63,741.53	234,012.94	671,800.00	437,787.06	34.8

TOWN OF FAIRPLAY
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2018

FAIRPLAY SAN ENTERPRISE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>EMPLOYEE EXPENSES</u>					
61-70-01 SALARIES	9,391.73	34,890.85	113,180.00	78,289.15	30.8
61-70-02 ICMA RC RETIREMENT	268.85	894.44	3,620.00	2,725.56	24.7
61-70-11 SS/MEDICARE EXPENSE	712.26	2,644.43	8,658.00	6,013.57	30.5
61-70-12 UNEMPLOYMENT EXPENSE	28.13	104.44	340.00	235.56	30.7
61-70-13 EMPLOYEE HEALTH INSURANCE	2,269.26	9,201.50	32,544.00	23,342.50	28.3
61-70-14 WORKER'S COMPENSATION	.00	2,597.00	2,597.00	.00	100.0
61-70-50 EDUCATION - WW OPERATORS	113.75	113.75	1,000.00	886.25	11.4
TOTAL EMPLOYEE EXPENSES	12,783.98	50,446.41	161,939.00	111,492.59	31.2
<u>PLANT & EQUIPMENT</u>					
61-71-03 COLLECTION SYSTEM MAINTENANC	.00	1,141.27	50,000.00	48,858.73	2.3
61-71-04 UTILITIES	5,856.06	20,688.64	53,000.00	32,311.36	39.0
61-71-10 DISCHARGE/PERMITS	.00	.00	3,000.00	3,000.00	.0
61-71-30 CHEMICAL & SUPPLIES EXPENSE	.00	462.27	2,500.00	2,037.73	18.5
61-71-40 TESTING EXPENSE	1,644.51	3,094.47	6,000.00	2,905.53	51.6
61-71-50 SLUDGE REMOVAL	.00	16.49	40,000.00	39,983.51	.0
61-71-55 REPAIRS & MAINTENANCE	1,260.36	6,766.43	35,000.00	28,233.57	19.3
61-71-67 TRASH	75.00	300.00	900.00	600.00	33.3
61-71-80 GASOLINE & OIL	104.12	654.60	1,500.00	845.40	43.6
61-71-85 VEHICLE EXPENSE	232.00	928.00	2,784.00	1,856.00	33.3
TOTAL PLANT & EQUIPMENT	9,172.05	34,052.17	194,684.00	160,631.83	17.5
<u>CONTRACTUAL FEES</u>					
61-72-03 ENGINEERING FEES	.00	.00	2,500.00	2,500.00	.0
61-72-10 LEGAL FEES	900.00	900.00	2,500.00	1,600.00	36.0
61-72-20 INSURANCE FEES	.00	.00	7,100.00	7,100.00	.0
61-72-30 MEMBERSHIP DUES	.00	275.00	500.00	225.00	55.0
61-72-40 AUDITOR FEES	.00	3,300.00	4,400.00	1,100.00	75.0
TOTAL CONTRACTUAL FEES	900.00	4,475.00	17,000.00	12,525.00	26.3

TOWN OF FAIRPLAY
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2018

FAIRPLAY SAN ENTERPRISE

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATION EXPENSE</u>					
61-73-01 ELECTION EXPENSE	.00	.00	2,000.00	2,000.00	.0
61-73-03 OFFICE EXPENSE	158.61	843.12	1,500.00	658.88	56.2
61-73-05 MISCELLANEOUS	.00	19.47	2,500.00	2,480.53	.8
61-73-10 POSTAGE EXPENSE	154.08	505.59	2,400.00	1,894.41	21.1
61-73-20 TELEPHONE EXPENSE	225.38	900.07	2,100.00	1,199.93	42.9
61-73-30 PUBLISHING EXPENSE	25.29	84.95	150.00	65.05	56.6
61-73-40 LOCATES	8.70	18.85	500.00	481.15	3.8
61-73-50 BANK/CREDIT CARD FEES	255.00	785.76	1,600.00	814.24	49.1
61-73-60 COMPUTER/SOFTWARE/SUPPORT	219.75	879.00	4,000.00	3,121.00	22.0
61-73-70 TREASURER FEES	326.80	1,533.47	5,000.00	3,466.53	30.7
61-73-90 CONTINGENCY	.00	.00	20,000.00	20,000.00	.0
61-73-95 CAPITAL IMPROVEMENTS	.00	28,298.10	43,000.00	14,701.90	65.8
TOTAL OPERATION EXPENSE	1,373.61	33,868.38	84,750.00	50,881.62	40.0
<u>DEBT SERVICE</u>					
61-75-02 REVENUE BOND-INTEREST	.00	.00	146,718.00	146,718.00	.0
61-75-04 REVENUE BOND-PRINCIPAL	.00	.00	125,000.00	125,000.00	.0
TOTAL DEBT SERVICE	.00	.00	271,718.00	271,718.00	.0
TOTAL FUND EXPENDITURES	24,229.64	122,841.96	730,091.00	607,249.04	16.8
NET REVENUE OVER EXPENDITURES	39,511.89	111,170.98	(58,291.00)	(169,461.98)	190.7

**BOARD OF TRUSTEES
TOWN OF FAIRPLAY**

IN RE: APPLICATION OF FAIRPLAY VALITON HOTEL, LLC, DBA MIDDLE
FORK RESTAURANT FOR A HOTEL AND RESTAURANT RETAIL LIQUOR
LICENSE

FINDINGS OF FACT, CONCLUSIONS AND ORDER

THE BOARD OF TRUSTEES OF THE TOWN OF FAIRPLAY, COLORADO, acting as the local liquor licensing authority, enters the following Findings of Fact, Conclusion and Order.

FINDINGS

1. This matter comes on for hearing upon the application of Fairplay Valiton Hotel, LLC, a Colorado Corporation (the "Applicant") for a Hotel and Restaurant retail liquor license.
2. The application is complete and contains all the information required by the Colorado Liquor Code. The Board further finds that the Applicant, its officers and shareholders are of good moral character.
3. Notice of a public hearing on the application was given in the manner prescribed by C.R.S. § 12-47-302 and 311.
4. A public hearing was held on the application on May 21, 2018 at which the Applicant and all interested parties were allowed to present testimony and evidence regarding the application and particularly the criteria for issuance of a license set forth in C.R.S. § 12-47-312.
5. The Applicant presented testimony regarding the needs and desires of the adult inhabitants of the neighborhood regarding issuance of the license in the form of testimony. No opposition was heard.
6. A background check was completed on Constance Schoppe, Owner/Manager, the results of which are acceptable. The building plans and specifications are a true representation of the facilities and the premises comply with applicable zoning, building, health, and fire regulations as related to historic structures. Proof of possession of the premises has been provided.

7. For purposes of determining the needs and desires of the neighborhood, the entire corporate limits of the Town of Fairplay have been determined to be the neighborhood. If approved, this liquor license would not appear to be a detriment to the neighborhood. Currently, there are five Hotel and Restaurant Liquor Licenses issued in the Town of Fairplay and this location has previously been the site of liquor licenses; therefore, this license would not create an undue concentration of the same class of license, possibly increasing the need for law enforcement resources in Fairplay.

CONCLUSIONS

1. Based on the evidence adduced at the public hearing the Board concludes that the requirements set forth in the Colorado Liquor Code have been met.

2. The Board further concludes that there was persuasive evidence that the desires of the adult inhabitants of the neighborhood favor issuance of the license.

ORDER

Based on the Findings and Conclusions set forth above, the application for a Hotel and Restaurant retail liquor license is GRANTED.

DATED this 4th day of June, 2018.

Frank Just, Mayor



MEMORANDUM

TO: Mayor and Board of Trustees
FROM: Tina Darrah, Town Administrator/Clerk
RE: Presentations on June 4th Agenda
DATE: May 31, 2018

You have two presentations scheduled for your June 4th meeting:

Dr. Fitting has asked for time on the agenda to give the Board an update on the status of the Health Services Districts efforts to recruit a Medical Provider for South Park.

Gavin Salee, Director of Programs for the Boys and Girls Club of the High Rockies, has asked for time on the agenda to update the Board on the activities of the Club and share some recent successes they have had thanks to the Fairplay Community.



MEMORANDUM

TO: Mayor and Board of Trustees
FROM: Tina Darrah, Town Administrator/Clerk
RE: Ordinance No. 2
DATE: May 31, 2018

Lee has drafted this emergency ordinance creating a Water and Wastewater Enterprise Board. Currently the Town Code only has a Water Board – this necessarily includes Wastewater to allow the Town Board to govern that fund and allow for the dissolution process and refunding of the debt and transference of the assets to move forward. Note that the Town Board acts as the Water and Wastewater Enterprise Board. Lee and Kyle will both be present at the meeting to answer questions and further explain the process.

Recommended Motion:

Motion to approve ordinance No. 2, series of 2018. This will require a second and a roll call vote. Because this is an emergency ordinance it will require a two-thirds majority vote of the entire Board to pass.

ORDINANCE NO. 2018- 2

AN EMERGENCY ORDINANCE REPEALING AND REENACTING ARTICLE VII OF CHAPTER 2 OF THE FAIRPLAY MUNICIPAL CODE GOVERNING THE WATER AND WASTEWATER ENTERPRISE BOARD

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF FAIRPLAY, COLORADO, THAT:

Section 1. Article VII of Chapter 2 of the Fairplay Municipal Code is repealed and reenacted to read as follows:

ARTICLE VII

Water and Wastewater Enterprise Board

Sec. 2-7-10. Creation.

There is hereby created the Town Water and Wastewater Enterprise Board, which shall have the powers and duties set forth in this Chapter.

Sec. 2-7-20. Membership.

The Water and Wastewater Enterprise Board shall consist and be comprised of the members of the Board of Trustees, inclusive of the Mayor, and shall be deemed to be in session whenever the Board of Trustees is meeting.

Sec. 2-7-30. Enterprise.

The Water and Wastewater Enterprise Board and the water and wastewater utilities overseen and managed by the Water and Wastewater Enterprise Board shall be an enterprise within the meaning of Article X, Section 20 of the Colorado Constitution.

Sec. 2-7-40. Powers.

The Water and Wastewater Board shall have the following powers:

(1) To assess, oversee, monitor and review the construction, operation and maintenance of the Town's water and wastewater utility systems, in accordance with the Town's ordinances and the approved Water and Wastewater Enterprise budget.

(2) To establish policy on the extension of the Town's water and wastewater utility services.

(3) To review and approve applications for proposed extensions of the Town's water and wastewater utility services including, but not limited to,

reviewing the adequacy of plans of developers for installation of water and wastewater utilities in newly developed areas.

(4) To establish service policies relating to billing, collections, connection and disconnection of service, meter reading and calibration and related matters relating to the Town's water and wastewater utilities.

(5) To set connection charges, service charges and availability of service fees; and to establish other rates and charges applicable to the Town's water and wastewater utility utilities.

(6) To review and approve or reject proposed expenditures of water and wastewater utility funds subject to the approved Town budget for each fiscal year.

(7) To hear appeals of any order, requirement, decision or determination made by an administrative official regarding water rates and fees, connection or disconnection. In situations where the assessment of interest, disconnection charges, reconnection charges or usage charges would be inequitable, the Water and Wastewater Enterprise Board may waive all or any portion of such interest or charges, and may negotiate and approve payment plans for utility users.

(8) To borrow money, issue bonds or otherwise extend the credit of the Town's water and wastewater enterprise fund for the purpose of purchasing, equipping, constructing, condemning, otherwise acquiring, extending or improving the Town's water and wastewater systems, provided that the bonds or other obligations shall be made payable solely from the net revenues derived from the operation of the water and wastewater systems.

(9) To exercise all powers in accordance with applicable laws, ordinances and statutes, necessary or convenient to the performance of the above numerated powers.

Sec. 2-7-50. Compensation.

Water and Wastewater Enterprise Board members shall receive no compensation but may be reimbursed for expenses incurred in the performance of their duties.

Sec. 2-7-60. Voting quorum.

Each member of the Water and Wastewater Enterprise Board shall have one (1) vote. A quorum for the transaction of business by the Board shall consist of a majority of the members.

Sec. 2-7-70. Organization and rules.

- (1) The Chairman of the Water and Wastewater Enterprise Board shall be the Mayor.
- (2) Meetings of the Water and Wastewater Enterprise Board shall be held at the time of the regular meetings of the Board of Trustees; special meetings of the Water and Wastewater Enterprise Board may be called by the Chairperson or by a majority of members.
- (3) The Water and Wastewater Enterprise Board shall keep a record of its resolutions, transactions, findings and determinations; which record shall be a public record.
- (4) The Water and Wastewater Enterprise Board may adopt rules for the transaction of business: Except as otherwise provided by this Chapter, the proceedings and meetings of the Board shall be governed by such rules if adopted.

Sec. 2-7-80. Town staff.

The Town staff shall provide to the Water and Wastewater Enterprise Board such assistance as the Board deems necessary.

Section 2. Police Power Finding. The Board of Trustees hereby finds, determines and declares that this Ordinance is necessary and proper to provide for the safety, preserve the health, promote the prosperity, and improve the order, comfort and convenience of the Town and the inhabitants thereof.

Section 4. Emergency Declared; Effective Date; Expiration. The Board of Trustees finds, determines and declares that passage of this Ordinance is necessary for the immediate preservation of the public peace, health and safety in order to facilitate the acquisition of the wastewater utility system currently managed by the Town but owned by the Fairplay Sanitation District. The Board of Trustees further determines that the adoption of this Ordinance as an emergency ordinance is in the best interest of the citizens of the Town of Fairplay. Accordingly, pursuant to C.R.S. § 31-16-105, this ordinance shall take effect immediately upon adoption.

ADOPTED AS AN EMERGENCY ORDINANCE THIS ___ day of _____, 2018.

Approved: _____
Frank Just, Mayor



MEMORANDUM

TO: Mayor and Board of Trustees
FROM: Tina Darrah, Town Administrator/Clerk
RE: Ordinance No. 3
DATE: May 31, 2018

This ordinance authorizes the issuance of revenue obligations for the purpose of financing the acquisition of the debt/assets of the Fairplay Sanitation District. Both Lee and Kyle will be present to answer any questions you have in regard to this ordinance. If you have questions you would like answered prior to the meeting, please let me know and I will coordinate that with Lee and/or Kyle.

Recommended Motion:

Motion to approve ordinance No. 3, series of 2018. This will require a second and a roll call vote. Because this is an emergency ordinance it will require a two-thirds majority vote of the entire Board to pass.

NOTE ORDINANCE

Relating to:

**Not to exceed
\$3,900,000
Town of Fairplay,
acting by and through its Water and Wastewater Enterprise
Water and Wastewater Revenue Note
Series 2018**

June 4, 2018

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ORDINANCE NO. ____

AN EMERGENCY ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF TOWN OF FAIRPLAY, COLORADO, ACTING BY AND THROUGH ITS WATER AND WASTEWATER ENTERPRISE, WATER AND WASTEWATER REVENUE NOTE, SERIES 2018 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,900,000, FOR THE PURPOSE OF ACQUIRING THE WASTEWATER SYSTEM AND ALL ASSETS OF THE FAIRPLAY SANITATION DISTRICT BY REFUNDING, PAYING AND DISCHARGING ALL OUTSTANDING OBLIGATIONS OF THE DISTRICT; AND DECLARING AN EMERGENCY AND PROVIDING THE EFFECTIVE DATE OF THIS ORDINANCE.

WHEREAS, the Town of Fairplay, Colorado (the "Town") is a duly and regularly created, organized and existing statutory Town, body corporate and politic of the State of Colorado (the "State"), existing as such under the Constitution and statutes of the State; and

WHEREAS, the Board of Trustees of the Town (the "Town Board") has determined to act by resolution to create, recognize and confirm the existence of the water and wastewater enterprise of the Town (the "Enterprise"); and

WHEREAS, Section 2-7-10 of the Municipal Code of the Town, as amended by Ordinance No. ____, creating, recognizing and confirming the existence of the Enterprise (the "Enterprise Ordinance"), authorizes the issuance of revenue obligations for the purpose of financing the acquisition, construction and equipping of improvements to the utility systems operated by the Enterprise; and

WHEREAS, the Town Board has determined it is in the best interests of the Town and its residents for the Enterprise to acquire the wastewater system (the "District System" and together with the Water System (defined herein), the "System") of the Fairplay Sanitation District (the "District") for the purpose of providing water and wastewater utility services to the Town; and

WHEREAS, the Town, acting by and through the Enterprise, is authorized pursuant to the Enterprise Ordinance to issue revenue obligations for the purpose of acquiring the District System from the District by refunding, paying and discharging all outstanding obligations of the District, thereby facilitating the dissolution of the District in accordance with Part 7 of Article 1, Title 32, Colorado Revised Statutes, as amended ("C.R.S."); and

WHEREAS, the Town Board, acting as such and as the governing body of the Enterprise, deems it necessary and appropriate to authorize the issuance of Water and Wastewater Revenue Note (the "Series 2018 Note") upon the terms described herein, for the purpose of acquiring the District System by refunding and paying certain outstanding obligations of the District (as described more specifically herein, the "District Obligations") originally issued to finance or refinance the cost of additions and improvements to the District System; and

WHEREAS, the Series 2018 Note is to be placed directly with the Lender (defined below) and the Lender shall provide a lender letter satisfactory in form and substance to the

Town and any other evidence as the Town may require in its discretion to establish that the Lender is a qualified institutional buyer within the meaning of Regulation D under the Securities Act of 1933, as amended, and the Series 2018 Note is to be issued in a direct loan transaction with no public offering; and

WHEREAS, the Series 2018 Note shall be subject to the transfer restrictions provided in Section 2.04 herein; and

WHEREAS, the Series 2018 Note is permitted to be issued without an election under the Enterprise Ordinance, Part 4 of Article 35, Title 31, C.R.S. and Article X, Section 20 of the Colorado Constitution;

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

ARTICLE I

DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions. In this Ordinance the following terms have the following respective meanings unless the context hereof clearly requires otherwise:

“Acquire” or *“Acquisition”* means the design, construction, reconstruction, purchase, lease, gift, transfer, assignment, option to purchase, grant from the federal government or any public body or other person, endowment, bequest, devise, installation, condemnation, contract, or other acquirement or other provision, or any combination thereof, of facilities, other property, any project, or an interest therein.

“Act” means Part 4 of Article 35, Title 31, C.R.S.

“Additional Parity Obligations” means any Parity Obligations issued after the issuance of the Series 2018 Note.

“Bond Counsel” means (a) as of the date of issuance of the Series 2018 Note, Kutak Rock LLP, and (b) as of any other date, Kutak Rock LLP or such other attorneys selected by the Town with nationally recognized expertise in the issuance of municipal bonds.

“Bond Anticipation Note” means a Security issued in anticipation of the receipt of proceeds of Notes or other Securities and maturing within five years.

“Business Day” means a day on which the Town or banks or trust companies in Denver, Colorado are not authorized or required to remain closed and on which the New York Stock Exchange is not closed.

“Capital Lease” means a lease which is required or permitted to be capitalized for financial reporting purposes under Generally Accepted Accounting Principles for governmental units or enterprises.

“Code” means the Municipal Code of the Town.

“*Combined Annual Debt Service Requirements*” means the sum of the annual Debt Service Requirements for all issues of Parity Obligations or Subordinate Securities for which the computation is being made.

“*Commercial Bank*” means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation and of the Federal Reserve System, which has capital and surplus of \$1,000,000 or more and which is located within the United States of America.

“*Commercial Paper*” means Securities arising out of current transactions, or the proceeds of which have been or are to be used for current transactions, or issued to provide short-term financing of capital projects, and maturing or being subject to tender within 270 days exclusive of days of grace or any renewal thereof the maturity of which is likewise limited.

“*Comparable Note Year*” means, in connection with any Fiscal Year, the Note Year which ends in such Fiscal Year. For example, for the Fiscal Year commencing on January 1, 2018, the Comparable Note Year for the Series 2018 Note ends in 2018 on the first day of the month which is designated in the applicable Final Terms Certificate for payments of principal of the Series 2018 Note (whether or not any such principal is actually payable in 2018).

“*Consulting Engineer*” means an independent consulting engineer or engineering firm or corporation having skill, knowledge and experience in analyzing the operations of municipal water and sewer systems in the State.

“*Credit Facility*” means any letter or line of credit, policy of bond insurance, surety bond or guarantee or similar instrument issued by a financial, insurance or other institution which specifically provides security with respect to any Securities.

“*Credit Facility Provider*” means the institution providing a Credit Facility.

“*Custodian*” means ZB, National Association dba Zions Bank.

“*Custody Agreement*” means an agreement with respect to the custody and application of funds in the Debt Service Reserve Account, entered into between the Town and the Custodian.

“*CWRPDA Loan*” means the loan in the original principal amount of \$2,000,000 made by the Colorado Water Resources and Power Development Authority to the District pursuant to a loan agreement dated June 25, 2008.

“*Debt Service Requirements*” means the principal of and interest on, and any premium due in connection with the redemption of the Series 2018 Note, any Additional Parity Obligations, any Parity Obligations or any other securities payable from the Net Pledged Revenues, excluding any amounts provided for with capitalized interest or other funds actually on hand and irrevocably committed to the payment of Debt Service Requirements.

“Debt Service Reserve Account” means the special account created and referred to in Section 3.06 hereof.

“Debt Service Reserve Account Requirement” means, for any particular series of Notes, as of the date of issuance of such Notes, the least of (a) 10% of the principal amount of the applicable Outstanding Notes, Outstanding Parity Obligations or Additional Parity Obligations to be issued; (b) the maximum annual debt service in any calendar year on the applicable Outstanding Notes, Outstanding Parity Obligations or Additional Parity Obligations to be issued; or (c) 125% of the average annual debt service on the applicable Outstanding Notes, Outstanding Parity Obligations or Additional Parity Obligations to be issued, as determined by Final Terms Certificate.

“District” means the Fairplay Sanitation District in Park County, Colorado.

“District Obligations” means the outstanding Series 2006 Bonds and the CWRPDA Loan.

“District System” means the sanitation activities, services and facilities of the District related to collection, pretreatment, treatment, advanced treatment, re-use and discharge of sewerage and wastewaters.

“Enterprise” means the Water and Wastewater Enterprise referred to in the Enterprise Ordinance.

“Event of Default” means any one of the events described in Section 8.01 hereof.

“Federal Securities” means bills, certificates of indebtedness, notes or bonds which are direct obligations of, or the principal and interest of which obligations are unconditionally guaranteed by, the United States of America.

“Final Terms Certificate” means a certificate signed by the Treasurer or authorized member of the Town Board, approving the final terms of the Series 2018 Note and determining any details necessary or appropriate in connection therewith in order to effectuate or clarify the provisions of this Ordinance and consummate the transactions contemplated hereby.

“Fiscal Year” means the 12 months commencing on the first day of January of any calendar year and ending on the last day of December of such calendar year or such other 12-month period as may from time to time be designated by the Town Board or by State statute as the Fiscal Year of the Town.

“Improve” or *“Improvement”* means the addition, extension, enlargement, betterment, replacement or improvement or any combination thereof, of facilities, other property, any project, or any interest therein, but not including reconstruction, replacement, repair or other renewal of existing facilities that does not increase the capacity of the System.

“Income” means all income from rates, fees or charges for the services furnished by, or the direct or indirect use of, the System, together with any interest income of the System not specifically excluded from the lien of this Ordinance. To the extent provided by Final Terms

Certificate, the Income may exclude particular funds or revenues and may also include, for the purpose of determining compliance with the payment, accumulation and coverage requirements hereof, any other funds contributed to the System for use in paying Debt Service Requirements or Operation and Maintenance Expenses.

“Income Fund” means the special fund created and required to be maintained by Section 3.03 hereof.

“Independent Accountant” means any certified public accountant, or any firm of such accountants, duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the Town, who (a) is, in fact, independent and not under the domination of the Town or the Town Board, (b) does not have any substantial interest, direct or indirect, in any of the affairs of the Town, and (c) is not connected with the Town as a member, officer or employee of the Town Board, but who may be regularly retained to make annual or similar audits of any books or records of the Town.

“Interest Payment Date” means a date designated by Final Terms Certificate for the payment of interest on the Series 2018 Note or any other designated securities.

“Lender” means ZB, N.A., dba Vectra Bank Colorado, as the initial purchaser of the Series 2018 Note.

“Letter of Instructions” means the Tax Letter of Instructions, dated the date on which the Series 2018 Note is originally issued and delivered to the Town by Bond Counsel, as such instructions may be superseded or amended in accordance with their terms.

“Liquidity Facility” means any letter or line of credit, policy of insurance, surety bond or similar instrument issued by a financial, insurance or other institution which provides funds to facilitate the purchase or remarketing of any Tender Security.

“Liquidity Facility Provider” means the institution providing a Liquidity Facility.

“Loan Arranger” means George K. Baum & Company.

“Maximum Annual Debt Service Requirements” means, with respect to the Series 2018 Note and each issue of Parity Obligations for which the computation is being made, the greatest amount of Debt Service Requirements coming due in any single Note Year when any such Series 2018 Note or Parity Obligations are Outstanding, provided that there shall be excluded from such computation the principal of or interest on any Revenue Anticipation Notes, Bond Anticipation Notes, Commercial Paper or similar Securities reasonably expected to be paid from proceeds of other Securities or any other sources other than the Net Pledged Revenues.

“Net Pledged Revenues” means all Income remaining after the deduction of Operation and Maintenance Expenses.

“Notes” means the Series 2018 Note and any Additional Parity Obligations.

“*Note Year*” means the 12 months commencing on the second day of the month, determined by Final Terms Certificate, in which principal payments on the Series 2018 Note are payable, and ending on the first day of such month in the next succeeding calendar year.

“*Operation and Maintenance Account*” means the special account created and referred to in Section 3.03 hereof.

“*Operation and Maintenance Expenses*” (or a phrase of similar import) means all reasonable and current expenses of the Town, paid or accrued, of operating, maintaining and repairing the System, and shall include, without limiting the generality of the foregoing, legal and overhead expenses of the various Town departments directly related and reasonably allocable to the administration of the System, insurance premiums, the reasonable charges of depository banks and paying agents, contractual services, professional services required by this Ordinance or any other applicable requirement, salaries and administrative expenses, labor and the cost of materials and supplies used for current operation, but shall not include any allowance for depreciation, liabilities incurred by the Town as the result of its negligence (as determined by a court of law) in the operation of the System, improvements, extensions, enlargements or betterments or any charges for the accumulation of reserves for capital replacements.

“*Ordinance*” means this Ordinance, including any amendment hereto, together with the Final Terms Certificate.

“*Outstanding*” means, as of any particular date, the Series 2018 Note and any Additional Parity Obligations, Parity Obligations or any such other securities payable in whole or in part from the Net Pledged Revenues which have been authorized, executed and delivered, except the following:

(a) any Note, Parity Security or other security cancelled by the Town or otherwise on behalf of the Town on or before such date;

(b) any Note, Parity Security or other security held by or on behalf of the Town;

(c) any Note, Parity Security or other security of the Town for the payment of which moneys or Federal Securities sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to pay all of the Debt Service Requirements of such Note, Additional Parity Obligation, Parity Security or other security to the maturity date or specified Prepayment Date thereof shall have theretofore been deposited in escrow or in trust with a Trust Bank for that purpose; and

(d) any lost, destroyed or wrongfully taken Note, Parity Security or other security of the Town in lieu of or in substitution for which another note or other security shall have been executed and delivered.

“*Owner*” means the holder of any bearer instrument or registered owner of any registered instrument.

“Parity Obligations” means bonds, warrants, notes, securities, leases or other contracts payable from the Net Pledged Revenues equally or on a parity with the Series 2018 Note.

“Permitted Investments” means any investment which, as of the time made, is permitted by the laws of the State or the ordinances of the Town pertaining to Town investments to be made with Town funds.

“Person” means any individual, firm, partnership, corporation, company, association, joint stock association, limited liability company or body politic, or any trustee, receiver, assignee or similar representative thereof.

“Prepayment Date” means the date fixed for the prepayment, in whole or in part, of the balance of the Series 2018 Note or other designated securities payable from the Net Pledged Revenues in any notice of prepayment given by or on behalf of the Town.

“Principal and Interest Account” means the special fund created and referred to in Section 3.05 hereof.

“Project” means the acquisition of the District System by the Enterprise by the refunding, payment and discharge of the District Obligations.

“Qualified Management Consultant” means an independent management consultant or management consulting firm or corporation having skill, knowledge and experience in managing the operations of municipal water and sewer systems in the State.

“Registrar” means a suitable institution or Town official designated by Final Terms Certificate to perform the duties of Registrar hereunder.

“Regular Record Date” means the first day of the calendar month preceding an Interest Payment Date for the Series 2018 Note.

“Revenue Anticipation Note” means a Security issued for the purpose of funding temporary cash flow deficiencies related to the System.

“Security” or *“Securities”* means any bond issued by the Town or any other evidence of the advancement of money to the Town, including any bond, warrant, note, loan, security, Capital Lease, installment purchase arrangement or similar instrument evidencing the advancement of money or the deferral of payments of money which is payable in whole or in part from proceeds of other Securities or from the Income or the Net Pledged Revenues, regardless of priority. The term Security includes repayment, reimbursement or similar obligations to Credit Facility Providers or Liquidity Facility Providers to the extent currently due and payable or as provided by Town ordinance.

“Series 2006 Bonds” means the Fairplay Sanitation District, in Park County, Colorado, acting by and through its Water Activity Enterprise, Wastewater Revenue Bonds, Series 2006, which Series 2006 Bonds were originally issued in the aggregate principal amount of \$3,435,000.

“*Series 2018 Note*” means the Town of Fairplay, Colorado, acting by and through its Water and Wastewater Enterprise, Water and Wastewater Enterprise Revenue Note, Series 2018.

“*Special Record Date*” means the date fixed by the Town to determine ownership of Series 2018 Note for the purpose of paying interest not paid when due or interest accruing after maturity.

“*State*” means the State of Colorado.

“*Subordinate Notes*” or “*Subordinate Securities*” means notes, bonds or securities payable from the Net Pledged Revenues having a lien thereon subordinate or junior to the lien thereon of the Series 2018 Note.

“*Superior Notes*” or “*Superior Securities*” means notes, bonds or securities payable from the Net Pledged Revenues having a lien thereon superior or senior to the lien thereon of the Series 2018 Note.

“*Supplemental Public Securities Act*” means Part 2 of Article 57, Title 11, Colorado Revised Statutes, as amended.

“*System*” means the combined water and wastewater system owned and operated by the Town comprising the District System and the Water System, together with all Equipment and Improvements to the System, and any other property or facilities hereafter specifically added to the System by ordinance of the Town Board.

“*Tender Security*” means any Security which by its terms may be required to be tendered for purchase, or which may be tendered by or at the option of the Owner thereof for purchase, prior to the stated maturity thereof.

“*Town*” means the Town of Fairplay, Colorado, acting as such or, as the context requires, acting by and through and as the owner of the Enterprise.

“*Town Board*” means the Board of Trustees of the Town as governing body of the Town, acting as such or, as the context requires, as the governing body of the Enterprise.

“*Transfer Agent*” means a suitable institution or Town official designated by Final Terms Certificate to perform the duties of Transfer Agent hereunder.

“*Treasurer*” means the Treasurer of the Town, as head of the Town’s Finance Department.

“*Trust Bank*” means a Commercial Bank which is authorized to exercise and is exercising trust powers.

“*Water System*” means the existing municipal water system of the Town.

Section 1.02. Construction. This Ordinance, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(a) Words in the singular include the plural, and words in the plural include the singular.

(b) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender refer to any gender.

(c) Articles, sections, paragraphs and clauses mentioned by number, letter or otherwise, correspond to the respective articles, sections, paragraphs and clauses of this Ordinance so numbered or otherwise so designated.

(d) The titles and leadlines applied to articles, sections, paragraphs and clauses of this Ordinance are inserted only as a matter of convenience and ease of reference and in no way define or limit the scope or intent of any provisions of this Ordinance.

ARTICLE II

THE SERIES 2018 NOTE

Section 2.01. The Project. The Town Board hereby authorizes and directs that the Project be carried out to the extent practicable with the net proceeds of the Series 2018 Note and any other legally available moneys of the Town necessary for such purpose.

Section 2.02. Issuance of Series 2018 Note; Application of Series 2018 Note Proceeds. The Series 2018 Note is authorized to be sold to the Lender in accordance with the terms of this Ordinance. The final terms of the Series 2018 Note shall be determined by Final Terms Certificate. The net proceeds received by the Town from the sale of the Series 2018 Note, after deduction of Lender fees, if any, shall be applied as follows: (a) accrued interest, if any, on the Series 2018 Note shall be deposited in the Principal and Interest Account; (b) to the payment of costs of issuance in connection with the issuance of the Series 2018 Note; and (c) the remaining Series 2018 Note proceeds shall be deposited to the extent necessary to accomplish the Project. Any excess funds may be used for any lawful purpose of the Enterprise.

Section 2.03. Authorization; Election to Apply Supplemental Public Securities Act. The Series 2018 Note, payable as to all Debt Service Requirements solely out of the Net Pledged Revenues, are hereby authorized to be issued in an aggregate principal amount not to exceed \$3,900,000, the actual amount of the Series 2018 Note to be determined by Final Terms Certificate. The Town hereby elects to apply all provisions of the Supplemental Public Securities Act to the Series 2018 Note to the extent not inconsistent with the provisions of this Ordinance.

Section 2.04. Note Details.

(a) **Generally.** The Series 2018 Note shall be issued by the Town Board, as the governing body of the Enterprise, pursuant to the Enterprise Ordinance, the Act and the Supplemental Public Securities Act. The Series 2018 Note shall be issued as a single, certificated, fully registered note registered in the name of the Lender in an authorized

denomination equal to the outstanding principal amount of the Series 2018 Note. The Series 2018 Note shall be dated as provided by Final Terms Certificate.

The Series 2018 Note shall mature on December 15 (or on any such other date or dates as provided in the Final Terms Certificate) in the years and in the aggregate principal amounts provided by Final Terms Certificate; provided that the Series 2018 Note may mature within any period permitted by the Act, the Enterprise Ordinance and the Code but in any event not later than December 15, 2032. The Series 2018 Note shall bear interest from the date as of which they are dated or the Interest Payment Date to which interest has been paid next preceding their respective dates, whichever is later, to its maturity date, except if prepaid prior thereto, at rates not exceeding 4.00% per annum, as determined by Final Terms Certificate.

Interest on the Series 2018 Note shall be payable commencing not later than December 15, 2018 and thereafter on each Interest Payment Date as determined by Final Terms Certificate. If upon presentation at maturity the principal of the Series 2018 Note is not paid as provided therein, interest shall continue thereon at the same interest rate until the principal thereof is paid in full.

The Debt Service Requirements of the Series 2018 Note shall be payable to the Owner of the Series 2018 Note in lawful money of the United States of America. The principal and the final installment of interest shall be payable to the Owner of the Series 2018 Note upon presentation and surrender thereof at maturity or upon prepayment. Except as hereinbefore and hereinafter provided, the interest shall be payable to the Owner of the Series 2018 Note determined as of the close of business on the Regular Record Date irrespective of any transfer of ownership of the Series 2018 Note subsequent to the Regular Record Date and prior to such Interest Payment Date, by check or draft mailed to such Owner at the address appearing on the registration books of the Town maintained by the Registrar. Any interest not paid when due and any interest accruing after maturity shall be payable to the Owner of the Series 2018 Note entitled to receive such interest determined as of the close of business on the Special Record Date irrespective of any transfer of ownership of the Series 2018 Note subsequent to the Special Record Date and prior to the date fixed for the payment of such interest, by check or draft mailed as aforesaid. Notice of the Special Record Date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by certified or registered first-class, postage prepaid mail, at least 10 days prior to the special record date, to the Owner of the Series 2018 Note upon which interest will be paid determined as of the close of business on the day preceding such mailing at the address appearing on the registration books of the Town. If the date for making or giving any payment, determination or notice described herein is not a Business Day, such payment, determination or notice shall be made or given on the next succeeding Business Day.

(b) **Prepayment.** The balance of the Series 2018 Note may be made subject to prepayment, in whole or in part, at the option of the Town, as provided by Final Terms Certificate, upon thirty days written notice to the Lender at a price or prices equal to the Outstanding principal amount of the Series 2018 Note so prepaid without premium, plus accrued interest to the date of prepayment.

Notice of prepayment shall be given by the Town in the name of the Town by sending a copy thereof by certified or registered first-class, postage prepaid mail, at least 30 days prior to the Prepayment Date, to the Owner of the Series 2018 Note being prepaid determined as of the close of business on the day preceding the first mailing of such notice, at the address appearing on the registration books of the Town. Such notice shall specify the Prepayment Date and shall further state that on the Prepayment Date there will be due and payable upon the Series 2018 Note so to be prepaid the principal amount plus accrued interest thereon to the Prepayment Date plus any premium due and that from and after such date interest will cease to accrue.

(c) ***Maximum Net Effective Interest Rate.*** The maximum net effective interest rate authorized for the Series 2018 Note is 4.00% per annum. The actual net effective interest rate for the Series 2018 Note shall be determined by Final Terms Certificate.

(d) ***Execution and Authentication.*** The Series 2018 Note shall be executed by and on behalf of the Town Board as the governing body of the Enterprise, with the facsimile signature of the Mayor, shall bear a facsimile of the seal of the Town, shall be attested with the facsimile signature of the Town Clerk, and shall be authenticated with the manual signature of a duly authorized signatory of the Registrar. Should any officer whose facsimile signature appears on the Series 2018 Note cease to be such officer before delivery of the Series 2018 Note to the Lender, such facsimile signature shall nevertheless be valid and sufficient for all purposes. The Series 2018 Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until the certificate of authentication on such Series 2018 Note shall have been duly executed by the Registrar, and such executed certificate upon any such Series 2018 Note shall be conclusive evidence that such Series 2018 Note has been authenticated and delivered under this Ordinance. The certificate of authentication on the Series 2018 Note shall be deemed to have been duly executed by the Registrar if signed by an authorized signatory thereof.

(e) ***Registration, Transfer and Exchange.*** Upon their execution and authentication and prior to its delivery, the Series 2018 Note shall be registered for the purpose of payment of principal and interest by the Registrar. Thereafter, the Series 2018 Note shall be transferable only upon the registration books of the Town by the Transfer Agent at the request of the Owner thereof or his, her or its duly authorized attorney-in-fact or legal representative. The Registrar or Transfer Agent shall accept the Series 2018 Note for registration or transfer only if the Owner is to be an individual, a corporation, a partnership or a trust. The Series 2018 Note may be transferred upon surrender thereof together with a written instrument of transfer duly executed by the Owner or his, her or its duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The Transfer Agent shall not be required to transfer ownership of the Series 2018 Note during the 15 days prior to the first mailing of any notice of prepayment or to transfer ownership of the Series 2018 Note on or after the

date of such mailing. The Owner of the Series 2018 Note or Notes may also exchange such Series 2018 Note or Notes for another Series 2018 Note or Notes of authorized denominations. Transfers and exchanges shall be made at the expense of the transferor or exchanger, and the Transfer Agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of the Series 2018 Note. No transfer of the Series 2018 Note shall be effective until entered on the registration books of the Town. In the case of every transfer or exchange, the Registrar shall authenticate and the Transfer Agent shall deliver to the new owner a new Series 2018 Note or Notes of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum rate as the Series 2018 Note or Notes surrendered. Such Series 2018 Note or Notes shall be dated as of their date of authentication. Any new Series 2018 Note delivered upon any transfer or exchange shall be valid obligations, evidencing the same obligations as the Series 2018 Note surrendered, shall be secured by this Ordinance, and shall be entitled to all of the security and benefit hereof to the same extent as the Series 2018 Note surrendered. The Town may deem and treat the person in whose name any Series 2018 Note is last registered upon the books of the Town as the absolute owner thereof for the purpose of receiving payment of the principal of and interest on such Series 2018 Note and for all other purposes, and all such payments so made to such person or upon his order shall be valid and effective to satisfy and discharge the liability of the Town upon such Series 2018 Note to the extent of the sum or sums so paid, and the Town shall not be affected by any notice to the contrary.

(f) ***Transfer Restrictions.*** Notwithstanding the procedure described in paragraph (e) of this Section 2.04, neither the Series 2018 Note nor any interest therein shall be transferred by the Lender or any subsequent Owner either by sale of a participation or by transfer of the Series 2018 Note to a subsequent Owner unless: (i) the transferee shall have executed a letter satisfactory in form and substance to the Town, and shall have provided such other evidence as the Town may require in its discretion, to establish that the transferee is a qualified institutional buyer within the meaning of Regulation D under the Securities Act of 1933 and that the transferee is purchasing for investment with no view to resale, participation or other distribution thereof; and (ii) the Series 2018 Note shall be transferred only in a denomination equal to the principal amount of the Series 2018 Note actually outstanding at the time of such transfer. Any transfer or purported transfer of any interest in the Series 2018 Note in violation of the foregoing shall be void and the Town shall have no obligation to recognize the ownership interest of, take any action on behalf of or make any payment to, the transferee or purported transferee.

(g) ***Resignation of Agents.*** If the Registrar or Transfer Agent shall resign, or if the Town shall reasonably determine that the Registrar or Transfer Agent has become incapable of fulfilling its duties hereunder, the Town may, upon notice mailed to the Owner of the Series 2018 Note at the addresses last shown on the registration books of the Town, appoint a successor Registrar or Transfer Agent. Every such successor Registrar or Transfer Agent shall be a Commercial Bank or an official of the Town. It shall not be required that the same person serve as Registrar and Transfer Agent

hereunder, but the Town shall have the right to have the same person serve as Registrar and Transfer Agent hereunder.

(h) **Replacement of Series 2018 Note.** If the Series 2018 Note shall have been lost, destroyed or wrongfully taken, the Town shall provide for the replacement thereof upon receipt of the evidence of such loss, destruction or wrongful taking, along with an indemnity bond and reimbursement for expenses reasonably satisfactory to it.

(i) **Recitals in Note.** The Series 2018 Note shall recite in substance that the Series 2018 Note is a special and limited obligation payable solely out of and secured by an irrevocable (but not necessarily exclusive) pledge of the Net Pledged Revenues, that the Series 2018 Note does not constitute a debt or an indebtedness or multiple fiscal-year debt or other financial obligation of the Town within the meaning of any constitutional, charter or statutory provision or limitation; that the Series 2018 Note is not payable in whole or in part from the proceeds of general property taxes; and that the full faith and credit of the Town is not pledged for the payment of the principal of or interest on the Series 2018 Note. The Series 2018 Note shall further recite that it is issued under the authority of the Colorado Constitution, the Code, the Supplemental Public Securities Act and this Ordinance.

Section 2.05. Form of Series 2018 Note.

(a) The Series 2018 Note shall be in substantially the following form:

[Remainder of Page Left Intentionally Blank]

[Form of Note]

THIS NOTE WAS ISSUED AS AN EXEMPT SECURITY OR IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. UNDER NO CIRCUMSTANCES SHALL THIS NOTE BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED OR DISPOSED OF EXCEPT IN THE MANNER PROVIDED IN SECTION 2.04(f) OF THE ORDINANCE UNDER WHICH IT IS ISSUED AND IN COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS. ANY TRANSFER OR PURPORTED TRANSFER IN VIOLATION OF SUCH SECTION 2.04(f) OR SUCH LAWS SHALL BE VOID AND OF NO EFFECT.

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

No. R-1

\$ _____

**TOWN OF FAIRPLAY
WATER AND WASTEWATER ENTERPRISE
WATER AND WASTEWATER REVENUE NOTE
SERIES 2018**

Interest Rate Maturity Date Original Date

REGISTERED OWNER: _____

PRINCIPAL SUM: _____

The Board of Trustees of the Town of Fairplay, in the County of Park and State of Colorado, acting as the governing body of the Water and Wastewater Enterprise of said Town, for value received, hereby promises to pay to the Registered Owner, specified above, or registered assigns, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum, specified above, in lawful money of the United States of America, on the Maturity Date, specified above, with interest thereon from the Original Date, specified above, or the interest payment date to which interest has been paid next preceding the date hereof, whichever is later, to the Maturity Date, except if redeemed prior thereto, at the per annum Interest Rate specified above, payable semiannually on _____ and _____ of each year, commencing on _____, 2018, or the first such date after the date hereof, whichever is later, in the manner provided herein. If upon presentation at maturity payment of the Principal Sum is not made as provided herein, interest continues at the Interest Rate until the Principal Sum is paid in full.

[Insert or attach payment schedule if required by the Lender]

This Note is the sole Note of an issue (the "Series 2018 Note") consisting of \$ _____ aggregate principal amount of Water and Wastewater Enterprise Water and Wastewater Revenue Note, Series 2018. This Note is subject to optional prepayment prior to its respective maturity date, upon thirty (30) days written notice to the Owner hereof, at a price equal to the principal amount of the Series 2018 Note so prepaid plus accrued interest thereon to the prepayment date without premium.

Notice of prepayment of this Note is to be given by the Town by sending a copy of such notice by certified or registered first-class postage prepaid mail, at least 30 days prior to the prepayment date, to the registered owner of the Series 2018 Note being prepaid determined as of the close of business on the day preceding the first mailing of such notice at the address appearing on the registration books of the Town. Such notice shall specify the date fixed for prepayment and shall further state that on the prepayment date there will be due and payable upon the Series 2018 Note so to be prepaid the principal amount plus accrued interest thereon to the prepayment date plus any premium due and that from and after such date interest will cease to accrue.

The principal of, interest on and any premium due in connection with the prepayment of this Series 2018 Note are payable to the Registered Owner by or at the direction of the Town. The principal and the final installment of interest are payable to the Registered Owner upon presentation and surrender of this Series 2018 Note at maturity or prepayment. Except as hereinbefore and hereinafter provided, interest is payable to the Registered Owner determined as of the close of business on the regular record date, which is the first day of the calendar month preceding the interest payment date, irrespective of any transfer of ownership hereof subsequent to the regular record date and prior to such interest payment date, by check or draft mailed to the Registered Owner at the address appearing on the registration books of the Town maintained by _____, _____, Colorado, or its successors, as registrar (the "Registrar"). Any interest hereon not paid when due and any interest hereon accruing after maturity is payable to the Registered Owner determined as of the close of business on the special record date, which is to be fixed for such purpose, irrespective of any transfer of ownership of this Series 2018 Note subsequent to such special record date and prior to the date fixed for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest is to be given by sending a copy thereof by certified or registered first-class postage prepaid mail, at least 10 days prior to the special record date, to the registered owner of the Series 2018 Note upon which interest will be paid determined as of the close of business on the day preceding such mailing, at the addresses appearing on the registration books of the Town. If the date for making or giving any payment, determination or notice described herein is not a Business Day, such payment, determination or notice is to be made or given on the next succeeding day which is a Business Day.

Payment of the principal of, interest on and any premium due in connection with the payment of this Series 2018 Note is to be made solely from, and as security for such payment there are irrevocably (but not necessarily exclusively) pledged, pursuant to the ordinance authorizing the issuance of this Series 2018 Note (the "Ordinance"), two special accounts, thereby identified as the Principal and Interest Account and the Debt Service Reserve Account, into which the Board of Trustees of the Town, acting as the governing body of the Water and Wastewater Enterprise of the Town, has covenanted in the Ordinance to pay, from certain

revenues derived from the operation and use of and otherwise pertaining to the System of the Town (the "Income") after provision is made only for the payment of all necessary and reasonable current expenses of operating, maintaining and repairing the System (such remaining revenues being referred to as the "Net Pledged Revenues"), sums sufficient to pay when due the principal of, interest on and any premium due in connection with the payment of the Series 2018 Note and any parity securities payable from such revenues, and to accumulate and maintain a specified reserve for such purposes. In addition, the Town may at its option augment such funds with any other moneys of the Town legally available for expenditure for the purposes thereof as provided in the Ordinance.

It is hereby recited, certified and warranted that for the payment of the principal of, interest on, and any premium due in connection with the prepayment of this Series 2018 Note, the Town has created and will maintain said special funds and will deposit the Net Pledged Revenues therein, and out of said special funds, as an irrevocable charge thereon, will pay the principal of, interest on, and any premium due in connection with the prepayment of this Series 2018 Note in the manner provided by the Ordinance.

The Series 2018 Note is equitably and ratably secured by a lien on the Net Pledged Revenues, and such Series 2018 Note constitutes an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Net Pledged Revenues. Notes and other types of securities in addition to the Series 2018 Note may, subject to expressed conditions, be issued and made payable from the Net Pledged Revenues having a lien thereon subordinate and junior to the lien of the Series 2018 Note or, subject to additional expressed conditions, having a lien thereon on a parity with the lien of the Series 2018 Note in accordance with the provisions of the Ordinance.

The Board of Trustees of the Town, acting as the governing body of the Water and Wastewater Enterprise of the Town, covenants and agrees with the Registered Owner that it will keep and will perform all of the covenants of this Series 2018 Note and of the Ordinance.

This Series 2018 Note is authorized and issued for the purposes described in the Ordinance under the authority of and in full conformity with the Constitution of the State of Colorado, the Enterprise Ordinance and all other laws of the State of Colorado thereunto enabling and pursuant to an Ordinance duly adopted prior to the issuance of this Series 2018 Note.

Reference is hereby made to the Ordinance, and to any and all modifications and amendments thereof, for a description of the provisions, terms and conditions upon which the Series 2018 Note of this issue are issued and secured, including, without limitation, the nature and extent of the security for the Series 2018 Note, provisions with respect to the custody and application of the proceeds of the Series 2018 Note, the collection and disposition of the revenues and moneys charged with and pledged to the payment of the principal of, interest on, and any premium due in connection with the prepayment of the Series 2018 Note, the terms and conditions on which the Series 2018 Note is issued, a description of the special funds referred to above and the nature and extent of the security and pledge afforded thereby for the payment of the principal of, interest on, and any premium due in connection with the prepayment of the Series 2018 Note, and the manner of enforcement of said pledge, as well as the rights, duties, immunities and obligations of the Town and the members of its Board of Trustees, acting as such

and as the governing body of the Water and Wastewater Enterprise of the Town, and also the rights and remedies of the Registered Owner of the Series 2018 Note.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance, or any instrument amendatory thereof or supplemental thereto, may be modified or amended by action of the Board of Trustees of the Town taken in the manner and subject to the conditions and exceptions provided in the Ordinance. The pledge of revenues and other obligations of the Town and its Water and Wastewater Enterprise under the Ordinance may be discharged in whole or in part at or prior to the maturity or prior prepayment of the Series 2018 Note upon the making of provision for the payment of the Series 2018 Note on the terms and conditions set forth in the Ordinance.

It is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the Town and the Water and Wastewater Enterprise of the Town in the issuance of this Series 2018 Note; that it is issued pursuant to and in strict conformity with the Constitution and all other applicable laws of the State of Colorado, including the Municipal Code and the Ordinance; that this Series 2018 Note does not contravene any constitutional or statutory provision or limitation of the State of Colorado; and that this Series 2018 Note is issued under the authority of the Ordinance.

This Series 2018 Note is issued pursuant to the Supplemental Public Securities Act, Part 2 of Article 57, Title 11, C.R.S., and this recital shall be conclusive evidence of the validity and the regularity of issuance of this Series 2018 Note after its delivery for value.

This Series 2018 Note is transferable only upon the registration books of the Town by _____, _____, Colorado, or his, her or its successors, as transfer agent (the "Transfer Agent"), at the request of the Registered Owner or his, her or its duly authorized attorney-in-fact or legal representative, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or his, her or its duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The transfer agent is not required to transfer ownership of this Series 2018 Note during the 15 days prior to the first mailing of any notice of prepayment or to transfer ownership of the Series 2018 Note on or after the date of such mailing. The Registered Owner may also exchange this Series 2018 Note for another Notes of authorized denominations. Transfers and exchanges are to be made at the expense of the transferor or exchanger, and the transfer agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2018 Note. No transfer of this Series 2018 Note shall be effective until entered on the registration books of the Town. In the case of every transfer or exchange, the registrar is to authenticate and the transfer agent is to deliver to the new registered owner a new Series 2018 Note or Notes of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum rate as the Series 2018 Note or Notes surrendered. Such Series 2018 Note or Notes are to be dated as of their date of authentication. The Town may deem and treat the person in whose name this Series 2018 Note is last registered upon the books of the Town as the absolute owner hereof for the

purpose of receiving payment of the principal of, interest on, and any premium due in connection with the prepayment of this Series 2018 Note and for all other purposes, and all such payments so made to such person or upon his or her order will be valid and effective to satisfy and discharge the liability of the Town upon this Series 2018 Note to the extent of the sum or sums so paid, and the Town will not be affected by any notice to the contrary.

This Series 2018 Note is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues and the Debt Service Reserve Account, as more specifically provided in the Ordinance. This Series 2018 Note does not constitute a debt or an indebtedness or a multiple-fiscal year debt or other financial obligation of the Town within the meaning of any constitutional, charter or statutory provision or limitation. This Series 2018 Note is not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the Town is not pledged for the payment of the principal of or interest on this Series 2018 Note.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the Board of Trustees of the Town of Fairplay, Colorado, acting as the governing body of the Water and Wastewater Enterprise of said Town, has caused this Series 2018 Note to be executed in its name and on its behalf with the facsimile signature of the Mayor of the Town, to be sealed with the facsimile seal of the Town, and to be signed and attested with the facsimile signature of the Town Clerk of the Town.

TOWN OF FAIRPLAY, COLORADO,
ACTING BY AND THROUGH ITS WATER
AND WASTEWATER ENTERPRISE

(SEAL)

By (facsimile – do not sign)
Mayor, Town of Fairplay, Colorado

ATTEST:

By (facsimile – do not sign)
Town Clerk, Town of Fairplay, Colorado

CERTIFICATE OF AUTHENTICATION

This Note is the sole Series 2018 Note issued pursuant to the Ordinance herein described. Attached hereto is the complete text of the opinion of bond counsel, Kutak Rock LLP, a signed copy of which, dated the date of the first delivery of the Series 2018 Note herein described, is on file with the undersigned.

Dated _____.

By _____,
_____, as registrar

By _____,
_____, Authorized Signatory

[End of Form of Note]

Section 2.06. Notes Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the Town and the Enterprise shall be for the equal benefit, protection and security of the Owners of the Notes, all of which, regardless of the time of its maturity, shall be of equal rank without preference, priority or distinction of any of the Series 2018 Note and Parity Obligations over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

Section 2.07. Special Obligations. The Series 2018 Note, as to all Debt Service Requirements thereof, shall be payable solely out of the Net Pledged Revenues or the Debt Service Reserve Account. The Owners of the Series 2018 Note may not look to the general fund or any other fund of the Town for the payment of the Debt Service Requirements, except the special funds and accounts pledged therefor. The Series 2018 Note shall not constitute a debt or indebtedness or multiple-fiscal year debt or other financial obligation of the Town within the meaning of any constitutional, charter or statutory provision or limitation, and the Series 2018 Note shall not be considered or held to be general obligations of the Town, but shall constitute special and limited obligations of the Town, acting by and through the Enterprise. The Series 2018 Note is not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the Town is not pledged for payment of the Series 2018 Note.

Section 2.08. Reserved.

Section 2.09. Direct Loan. The Series 2018 Note shall evidence a loan from the Lender made in the ordinary course of its banking business. The form of the Series 2018 Note shall be as set forth in Section 2.05 hereof and may be modified to include appropriate legends, transfer restrictions and other provisions approved by Final Terms Certificate. The Lender shall deliver an investment intent letter in the form acceptable to Bond Counsel and the Treasurer. All appropriate legends, transfer restrictions and other provisions may be included in a Final Terms Certificate, in the form of Series 2018 Note or in any other document delivered by the Town in connection with the Series 2018 Note, for the purpose of documenting such private placement. The private placement of the Series 2018 Note may be undertaken without the preparation or delivery of an official statement or similar offering document.

ARTICLE III

FUNDS AND ACCOUNTS

The proceeds of the Series 2018 Note, any funds transferred to the Debt Service Reserve Account and the Income shall be deposited by the Town in the funds and accounts described in this Article III, to be accounted for in the manner and priority set forth in this Article III.

No Owner of the Series 2018 Note shall be in any manner responsible for the application or disposition by the Town or by any of its officers, agents and employees of the moneys derived from the sale of the Series 2018 Note or of any other moneys designated in this Article III.

Section 3.01. Reserved.

Section 3.02. Reserved.

Section 3.03. Income Fund. Except as otherwise provided herein, the entire Income, upon receipt thereof from time to time by the Town, shall be set aside and credited immediately to a special fund hereby created and to be known as the Income Fund, which shall be maintained by the Town. In addition, the Town may at its option credit to the Income Fund any other moneys of the Town legally available for expenditure for the purposes of the Income Fund as provided herein. The Income Fund shall be administered and the moneys on deposit therein shall be deposited and applied in the following order of priority:

FIRST, to the Operation and Maintenance Account to pay Operation and Maintenance Expenses in the manner set forth in Section 3.04 hereof;

SECOND, to the Principal and Interest Account to pay the Debt Service Requirements of the Series 2018 Note, any Additional Parity Obligations and any other Parity Obligations then outstanding in the manner set forth in Section 3.05 hereof;

THIRD, to the Debt Service Reserve Account, in the manner set forth in Section 3.06 hereof;

FOURTH, to the payment of the Debt Service Requirements of Subordinate Notes or other Subordinate Securities in accordance with Section 3.09 hereof; and

FIFTH, to be used in accordance with Sections 3.08 and 3.10 hereof.

In order to give effect to the requirements of both the Enterprise Ordinance and this Ordinance the Town may, to the extent necessary, advance, subject to reimbursement, Income required for the payment of Operation and Maintenance Expenses from funds earmarked for capital facilities, and may also, to the extent necessary, advance, subject to reimbursement, Net Pledged Revenues required for the payment of the Debt Service Requirements of the Series 2018 Note, any Additional Parity Obligations and any other Parity Obligations from funds earmarked for operation and maintenance, including the Operation and Maintenance Account.

Section 3.04. Operation and Maintenance Account. As a first charge on the Income Fund, there shall be credited from time to time to the Operation and Maintenance Account hereby created within the Income Fund moneys sufficient to pay the Operation and Maintenance Expenses of the System as they become due and payable, and thereupon the Operation and Maintenance Expenses shall be promptly paid.

Section 3.05. Principal and Interest Account. The Town shall deposit in the Principal and Interest Account hereby created within the Income Fund, forthwith upon receipt of the proceeds of the Series 2018 Note, any interest accrued thereon from their date to the date of delivery thereof to apply to the payment of interest first due on the Series 2018 Note.

Subject to the payments required by Section 3.04 hereof, for so long as the Series 2018 Note is Outstanding, the Town shall deposit in the Principal and Interest Account from the Net Pledged Revenues, on or before the last day of each month beginning with the month of issuance of the Series 2018 Note, the amount of interest accruing on the Series 2018 Note during said month (with a credit for the amount of any accrued or capitalized interest deposited in the

Principal and Interest Account and not theretofore credited) and on or before the last day of each month after the first Interest Payment Date of the Series 2018 Note, the following amounts:

(a) **Interest Payments.** One-sixth of the aggregate amount of the next installment of interest due in the then-current Note Year plus any other amounts due for interest on the Series 2018 Note, any Additional Parity Obligations and any other Parity Obligations then Outstanding.

(b) **Principal Payments.** During the 12-month period preceding a principal payment on the Series 2018 Note, one-twelfth of the aggregate amount of the next installment of principal due plus any other amounts due for principal of the Series 2018 Note , any Additional Parity Obligations and any other Parity Obligations then Outstanding.

Such interest and principal shall be promptly paid when due.

The moneys credited to the Principal and Interest Account, excluding investment earnings which may be required to be rebated to the federal government in accordance with Section 3.07 hereof, shall be used to pay the Debt Service Requirements of the Series 2018 Note, any Additional Parity Obligations and any other Parity Obligations then Outstanding, as such Debt Service Requirements become due, except as otherwise provided in this Ordinance. The Principal and Interest Account shall also be maintained as a sinking fund for the mandatory redemption of the Series 2018 Note, which is subject to mandatory sinking fund redemption. Any mandatory sinking fund redemption of principal shall be treated as an installment of principal for purposes of this Section 3.05.

Nothing herein shall be construed to prevent the Town from creating separate principal and interest accounts for the Series 2018 Note and any Additional Parity Obligations and accounting separately for any deposits made thereto on account of the Series 2018 Note and any Additional Parity Obligations, if such action is deemed by the Town to be necessary or desirable in order to comply with any statute or regulation governing the exemption from federal income taxes of interest on the Series 2018 Note or any such Additional Parity Obligations; provided that any such separate accounts shall have claims to the Net Pledged Revenues equal to and on a parity with those of the other such accounts. Nothing herein shall be construed to prevent the Town from creating subfunds or subaccounts for the purpose of recording the payments and accumulations made hereunder in a manner consistent with the accounting principles which may be employed by the Town from time to time.

Section 3.06. Debt Service Reserve Account. From any legally available funds, including without limitation proceeds of the Series 2018 Note, the Town shall deposit in the Debt Service Reserve Account, at the time of issuance of the Series 2018 Note, a sum equal to the Debt Service Reserve Account Requirement, as determined by Final Terms Certificate. The Debt Service Reserve Account shall be established and held by the Custodian and the application of the funds therein shall be only as provided in this Section 3.06. Subject to the payments required by Sections 3.04 and 3.05 hereof and except as provided in Section 3.06 hereof, from the Net Pledged Revenues, there shall be credited from time to time as hereinafter provided to the Debt Service Reserve Account moneys sufficient to accumulate in and maintain the Debt

Service Reserve Account at an amount at least equal to the amount so determined. In the event that the amount of the Debt Service Reserve Account falls below the Debt Service Reserve Account Requirement, the Town shall credit to the Debt Service Reserve Account from the Net Pledged Revenues that sum of money needed to accumulate or reaccumulate the amount therein so that at all times the amount of the Debt Service Reserve Account equals the Debt Service Reserve Account Requirement. The moneys required to be deposited in the Debt Service Reserve Account, excluding investment earnings which may be required to be rebated to the federal government in accordance with Section 3.07 hereof, shall be set aside, accumulated and, if necessary, reaccumulated from time to time, and maintained as a continuing reserve to be used, except as hereinafter provided in this Section 3.06 and Article VII hereof, only to prevent deficiencies in payment of the Debt Service Requirements of the Series 2018 Note, any Additional Parity Obligations and any other Parity Obligations then outstanding resulting from failure to deposit into the Principal and Interest Account sufficient funds to pay such Debt Service Requirements as the same become due. At such time as the Series 2018 Note matures or is prepaid, the Lender shall apply the balance in the Debt Service Reserve Account as a credit against such maturity or prepayment amount, or the balance shall be returned to the Town.

If at any time the Town shall for any reason fail to pay into the Principal and Interest Account the full amount above stipulated, then an amount shall be paid into the Principal and Interest Account at such time from the Debt Service Reserve Account equal to the difference between that paid from the Net Pledged Revenues and the full amount so stipulated. The money so used shall be replaced to the Debt Service Reserve Account from the first moneys credited to the Income Fund thereafter received and not required to be otherwise applied by Sections 3.04 and 3.05 hereof. If Additional Obligations or other Parity Obligations are Outstanding and the ordinances authorizing the issuance of those securities require the replacement of moneys in a separate reserve account therefor, then the moneys replaced in the Debt Service Reserve Account shall be replaced on a pro rata basis based upon the principal amount of the then Outstanding Notes and the total principal amount of the then Outstanding Additional Parity Obligations or other Parity Obligations, including the Series 2018 Note, as moneys become available therefor.

If at any time the Town shall for any reason fail to pay into the Debt Service Reserve Account the full amount stipulated herein from the Net Pledged Revenues, the difference between the amount paid and the amount so stipulated shall in like manner be paid therein from the first moneys credited to the Income Fund thereafter received and not required to be applied otherwise by Sections 3.04 and 3.05 hereof.

Nothing in this Ordinance shall be construed as limiting the right of the Town to substitute for the cash deposit required to be maintained hereunder in connection with the Series 2018 Note a letter of credit, surety bond, insurance policy, agreement guaranteeing payment, or other undertaking by a financial institution to ensure that cash in the amount otherwise required to be maintained hereunder will be available to the Town as needed; provided that any such substitution shall not cause the then current rating or ratings of the Notes to be adversely affected.

Section 3.07. Rebate Fund. If directed pursuant to an opinion of Bond Counsel, the Town shall establish and maintain, so long as the Series 2018 Note is Outstanding and subject to a requirement of the Internal Revenue Code of 1986, as it may be amended (the "IRS Code") that

arbitrage profits be rebated to the United States of America, a separate account to be known as the "Rebate Fund" (the "Rebate Fund"). The Town shall make deposits and disbursements from the Rebate Fund in accordance with the Tax Compliance Certificate executed and delivered in connection with the delivery of the Series 2018 Note, shall invest the amounts held in the Rebate Fund and shall deposit income from such investments immediately upon receipt thereof in the Rebate Fund. Anything in this Ordinance to the contrary notwithstanding, this Section 3.07 and the Tax Compliance Certificate may be superseded or amended by a new Letter of Instructions delivered by the Town and accompanied by an opinion of Bond Counsel addressed to the Town to the effect that the use of the new Letter of Instructions will not cause interest on the Series 2018 Note to be included in gross income for federal income tax purposes.

If a deposit to the Rebate Fund is required as a result of the computations made or caused to be made by the Town, the Town shall deposit such payment into the Rebate Fund. If amounts in excess of that required to be rebated to the United States of America accumulate in the Rebate Fund, such amount shall be retained by the Town. Records of the determinations required by this Section and the Letter of Instructions must be retained by the Town until six (6) years after the Series 2018 Note is no longer Outstanding.

If the Series 2018 Note is not exempted from the arbitrage rebate requirements of the IRS Code, the Town will comply with the following rebate requirements. Promptly after each Rebate Year (as defined in the Tax Compliance Certificate), and not later than thirty (30) days after the prepayment, payment at maturity or other retirement of the Series 2018 Note, the Town shall engage, and furnish information to, the Rebate Analyst (as defined in the Tax Compliance Certificate) and cause the Rebate Analyst to calculate the Rebate Amount (as defined in the Tax Compliance Certificate) with respect to the Series 2018 Note. The Town shall receive a copy of the report of the Rebate Analyst. The Town shall determine if the amount in the related subaccount of the Rebate Fund is equal to the calculated Rebate Amount. If the amount in the related subaccount of the Rebate Fund is in excess of the amount required to be therein in accordance with the report of the Rebate Analyst, then such excess shall be transferred to the Principal and Interest Account. To the extent the moneys in the related subaccount of the Rebate Fund are less than the amount required to be deposited therein, the Town shall transfer such amounts necessary to reserve for the anticipated Rebate Amount payment to the United States Treasury from the Principal and Interest Account in accordance with this Ordinance and the Tax Compliance Certificate.

Section 3.08. Termination of Deposits. No payment need be made into the Principal and Interest Account or the Debt Service Reserve Account if the amount in the Principal and Interest Account and the amount in the Debt Service Reserve Account total a sum at least equal to the entire amount of the Outstanding Notes, any Outstanding Additional Parity Obligations and any other Outstanding Parity Obligations, as to all Debt Service Requirements, to their respective maturities or to any Prepayment Date as of which the Town shall have exercised or shall have obligated itself to exercise its option to prepay the outstanding balance of the Series 2018 Note, any Additional Parity Obligations and any other Parity Obligations then outstanding and thereafter maturing (provided that, solely for the purpose of this Section 3.08, there shall be deemed to be a credit to the Debt Service Reserve Account of moneys, Federal Securities and bank deposits, or any combination thereof, accounted for in any other fund or account of the Town and restricted solely for the purpose of paying the Debt Service Requirements of the Series

2018 Note, any Additional Parity Obligations or any other Parity Obligations), in which case moneys in the Principal and Interest Account and the Debt Service Reserve Account in an amount, except for any known interest or other gain to accrue from any investment or deposit of moneys pursuant to Section 4.02 hereof from the time of any such investment or deposit to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Debt Service Requirements, shall be used together with any such gain from such investments and deposits solely to pay such Debt Service Requirements as the same become due. Any moneys in excess thereof in the Principal and Interest Account and the Debt Service Reserve Account and any other moneys derived from the Income or otherwise pertaining to the System may be used in any lawful manner determined by the Town.

Section 3.09. Payment of Subordinate Securities. After there has been deposited to the Principal and Interest Account an amount sufficient to pay all the Debt Service Requirements due during the current Note Year on the Series 2018 Note, all Additional Parity Obligations and other Parity Obligations then Outstanding and after the accumulations to and replenishments of the Debt Service Reserve Account to be made in the current Note Year have been made, any moneys remaining in the Income Fund for such Note Year may be used by the Town for the payment of Debt Service Requirements of Subordinate Securities payable from the Net Pledged Revenues and authorized to be issued in accordance with this Ordinance including reasonable reserves for such Subordinate Securities; but the lien of such Subordinate Securities on the Net Pledged Revenues and the pledge thereof for the payment of such Subordinate Securities shall be subordinate to the lien and pledge of the Series 2018 Note, any Additional Parity Obligations and any other Parity Obligations as herein provided.

Section 3.10. Use of Remaining Revenues. After the payments required to be made by Sections 3.01 through 3.09 hereof are made, at the end of any Note Year, or whenever in any Note Year there shall have been credited to the Principal and Interest Account and the Debt Service Reserve Account all amounts required to be deposited in those special funds during said Note Year, as herein provided, any remaining moneys credited to the Income Fund may be used for the Acquisition of Improvements or other properties or facilities for the System or for any one or any combination of other lawful purposes as the Town may from time to time determine.

Section 3.11. Budget and Appropriation of Sums. The sums provided to make the payments specified in this Article III are hereby appropriated for said purposes, and said amounts for each year shall be included in the annual budget and the appropriation ordinance or measures to be adopted or passed by the Town Board in each year respectively while any of the Series 2018 Note, either as to principal or interest, are Outstanding and unpaid. No provisions of any constitution, charter, statute, ordinance, resolution, or other order or measure enacted after the issuance of the Series 2018 Note shall in any manner be construed as limiting or impairing the obligation of the Town to keep and perform the covenants contained in this Ordinance so long as the Series 2018 Note remains Outstanding and unpaid. Nothing herein shall prohibit the Town Board from appropriating other funds of the Town legally available for this purpose to the Income Fund for the purposes thereof.

ARTICLE IV

GENERAL ADMINISTRATION OF FUNDS

Section 4.01. Places and Times of Deposits. Each of the special funds or accounts created or referred to in Article III hereof shall be maintained as a book account of the Town and all moneys accounted for therein shall at all times be either deposited in a Commercial Bank or invested in Permitted Investments. For purposes of such deposits or investments of moneys, nothing herein prevents the commingling of moneys accounted for in any two or more such funds or accounts pertaining to the Income. Such funds or accounts shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes of such funds or accounts. Each periodic payment shall be credited to the proper fund or account not later than the date therefor herein designated, except that when any such date shall be a day which is not a Business Day then such payment shall be made on or before the next preceding Business Day.

Section 4.02. Investment of Funds. Any moneys in any fund or account described in Article III hereof may be invested, reinvested or deposited only in Permitted Investments. Securities or obligations purchased as such investments shall either be subject to redemption at any time at face value by the owner thereof at the option of such owner or shall mature at such time or times as shall most nearly coincide with the expected need for moneys from the fund or account in question. Securities or obligations so purchased as an investment of moneys in any such fund or account shall be deemed at all times to be a part of the applicable fund or account; provided that (with the exception of the Debt Service Reserve Account and the Rebate Fund, if any) the interest accruing on such investments and any profit realized therefrom shall be credited to the Income Fund, and any loss resulting from such investments shall be charged to the particular fund or account in question. Interest and profit realized from investments in the Debt Service Reserve Account shall be credited to the Debt Service Reserve Account; provided that, so long as the amount in the Debt Service Reserve Account equals at least the minimum amount specified in Section 3.06 hereof, such interest and profit may be transferred to the Principal and Interest Account and distributed in the same manner as other moneys in the Principal and Interest Account. Any loss resulting from such investments in the Debt Service Reserve Account shall be charged to the Debt Service Reserve Account. The Town shall present for redemption or sale on the prevailing market any securities or obligations so purchased as an investment of moneys in a given fund or account whenever it shall be necessary to do so in order to provide moneys to meet any required payment or transfer from such fund or account. The Town shall not invest any moneys accounted for hereunder if any such investment would contravene the covenant concerning arbitrage in Section 6.21 hereof.

Section 4.03. No Liability for Losses Incurred in Performing Terms of Ordinance. Neither the Town nor any officer of the Town shall be liable or responsible for any loss resulting from any investment or reinvestment made in accordance with this Ordinance.

Section 4.04. Character of Funds. The moneys in any fund or account herein described shall consist of lawful money of the United States of America or investments permitted by Section 4.02 hereof or both such money and such investments. Moneys deposited in a

demand or time deposit account in or evidenced by a certificate of deposit of a Commercial Bank pursuant to Sections 4.01 and 4.02 hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States of America.

Section 4.05. Accelerated Payments Optional. Nothing contained herein prevents the accumulation in any fund or account designated herein of any monetary requirements at a faster rate than the rate or minimum rate, as the case may be, provided therefor, but no payment shall be so accelerated if such acceleration shall cause a default in the payment of any obligation of the Town pertaining to the Income.

ARTICLE V

PRIORITIES; LIENS; ISSUANCE OF ADDITIONAL OBLIGATIONS

Section 5.01. First Lien on Net Pledged Revenues; Equality of Notes. Except as expressly provided in this Ordinance with respect to Additional Parity Obligations, other Parity Obligations and Subordinate Securities, the Net Pledged Revenues shall be and hereby are irrevocably pledged and set aside to pay the Debt Service Requirements of the Series 2018 Note.

The Series 2018 Note constitutes an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Net Pledged Revenues having priority over any and all other obligations of the Town with respect to the Net Pledged Revenues. Revenues pledged hereby, 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. Pursuant to Section 11-57-208 of the Supplemental Public Securities Act, the lien of this pledge shall be valid, binding and enforceable against all persons having claims of any kind in tort, contract or otherwise against the Town or the Enterprise irrespective of whether such persons have notice of such liens.

The Series 2018 Note, any Additional Parity Obligations and any other Parity Obligations hereafter authorized to be issued and from time to time Outstanding are equitably and ratably secured by a lien on the Net Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Net Pledged Revenues regardless of the time or times of the issuance thereof, it being the intention of the Town Board that there shall be no priority among the Series 2018 Note, any Additional Parity Obligations and any other Parity Obligations, regardless of the fact that they may actually be issued and delivered at different times.

Section 5.02. Issuance of Additional Parity Obligations. Nothing herein, except the limitations stated in Section 5.06 hereof, prevents the issuance by the Town of Additional Parity Obligations payable from the Net Pledged Revenues and constituting a lien on the Net Pledged Revenues on a parity with, but not prior or superior to, the lien thereon of the Series 2018 Note; but before any such Additional Parity Obligations are authorized or actually issued the Town shall satisfy the following conditions:

(a) ***Absence of Default.*** At the time of the adoption of the supplemental ordinance or other instrument authorizing the issuance of the Additional Parity Obligations as provided in Section 5.06 hereof, the Town shall not be in default in making any payments required by Article III hereof.

(b) *Historic Revenues Tests.*

(i) Except as hereinafter provided in the case of Additional Parity Obligations issued for the purpose of refunding less than all of the Series 2018 Note and other Parity Obligations then outstanding, the Net Pledged Revenues for the last complete Fiscal Year or the last 12-consecutive whole months prior to the issuance of the proposed Additional Parity Obligations, as certified by a Consulting Engineer or Independent Accountant, must have been equal to at least 125% of the Combined Debt Service Requirements of the Series 2018 Note then Outstanding, any Additional Parity Obligations then outstanding, and the Additional Parity Obligations proposed to be issued for the 12 consecutive months following the date of issuance of such proposed Additional Parity Obligations.

(ii) If any adjustment in rates, fees, tolls or charges is made by the Town during such Fiscal Year or last 12 consecutive whole months prior to the issuance of the proposed Additional Parity Obligations, the Consulting Engineer or Independent Accountant shall adjust the calculation of the Net Pledged Revenues to reflect the amount thereof that would have been received if such adjustment had been in effect throughout such Fiscal Year.

(iii) For purposes of this Section 5.02(b), when computing the Debt Service Requirements for any issue of securities bearing interest at a variable, adjustable, convertible or other similar rate which is not fixed for the entire term thereof, it shall be assumed that any such securities Outstanding at the time of the computation will bear interest during any period, if the interest rate for such periods shall not have been determined, at a fixed rate equal to the higher of 6% per annum or the highest interest rate borne during the preceding 24 months by outstanding securities of the Town (excluding securities issued pursuant Part 1, Article 3, Title 29, C.R.S., as amended, or other similar securities) bearing interest at a variable, adjustable, convertible or other similar rate or, if no such securities of the Town are outstanding at the time of the computation, by any similar securities for which the interest rate is determined by reference to an index comparable to that to be utilized in connection with the securities proposed to be issued, or if the interest rate for such period has been determined and is not subject to variation, adjustment or conversion prior to the expiration of such period, at the rate so determined. It shall further be assumed that any such securities which may be tendered prior to maturity for purchase at the option of the Owner thereof will mature on their stated maturity or mandatory redemption dates.

(iv) In the case of Additional Parity Obligations issued for the purpose of refunding less than all of the Series 2018 Note and Parity Obligations then Outstanding, compliance with this Section 5.02(b) shall not be required so long as the Debt Service Requirements payable as to the Series 2018 Note and all Parity Obligations Outstanding after the issuance of such Additional Parity Obligations on each Interest Payment Date do not exceed the Debt Service Requirements

payable on the Series 2018 Note and all other Parity Obligations Outstanding prior to the issuance of such Additional Parity Obligations on such Interest Payment Date.

(c) ***Income Forecast Test.*** In lieu of qualification under Section 5.02(b), as certified by a Consulting Engineer or Independent Accountant, the Income forecast to be available for the three consecutive Fiscal Years beginning after the Fiscal Year in which any improvements or facility being financed by such proposed Additional Parity Obligations are to be placed in service shall be sufficient to pay estimated Operation and Maintenance Expenses (including payments on Subordinate Securities and Capital Leases) and 135% of the maximum annual Debt Service Requirements of the Series 2018 Note, any Parity Obligations Outstanding and the Additional Parity Obligations proposed to be issued (excluding any reserves therefor).

(d) ***Adequate Reserves.*** The proceedings under which any such Additional Parity Obligations are issued must provide for the deposit of moneys to the Debt Service Reserve Account on substantially the same terms as provided in Section 3.05 hereof. Alternatively, if such action is deemed by the Town to be necessary or desirable in order to comply with any statute or regulation governing the exclusion from gross income for federal income tax purposes of interest on any such Additional Parity Obligations, the proceedings under which any such Additional Parity Obligations are issued may provide for the deposit of moneys to a reserve account (other than the Debt Service Reserve Account) established and maintained for such Additional Parity Obligations on substantially the same terms as provided in Section 3.05 hereof and contain a covenant by the Town to maintain such reserve fund or account in an amount equal to the lesser of 10% of the proceeds of the Additional Parity Obligations or the maximum Debt Service Requirements of such Additional Parity Obligations coming due in any Note Year, except as may be necessary to comply with such statute or regulation. Any such reserve account shall have a claim to the Net Pledged Revenues equal to and on a parity with that of the Debt Service Reserve Account.

Section 5.03. Effect of Certification of Revenues. Where certifications of revenues are required by this Ordinance, the specified and required written certifications of the Consulting Engineer or Independent Accountant to the effect that revenues are sufficient to pay the required amounts shall be conclusively presumed to be accurate in determining the right of the Town to authorize, issue, sell and deliver Additional Parity Obligations or other Parity Obligations.

Section 5.04. Subordinate Securities Permitted. Nothing herein, except the limitations stated in Section 5.06 hereof, prevents the Town from issuing Subordinate Securities for any lawful purpose.

Section 5.05. Superior Securities Prohibited. Nothing herein permits the Town to issue Superior Notes or Superior Securities.

Section 5.06. Supplemental Ordinances. Additional Parity Obligations or Subordinate Securities shall be issued only after authorization thereof by ordinance, supplemental ordinance or other instrument of the Town Board, in substantially the same form as this Ordinance, stating

the purpose or purposes of the issuance of such additional Securities, directing the application of the proceeds thereof to such purpose or purposes, directing the execution thereof, and fixing and determining the date, Series designation, principal amount, maturity or maturities, maximum rate or rates of interest and prior redemption privileges of the Town with respect thereto, and providing for payments to and from the Income Fund in accordance with this Ordinance. All additional Securities shall bear such date, shall be payable as to principal and interest on the same semiannual dates as the Series 2018 Note and may be made subject to redemption prior to maturity on such terms and conditions, as may be provided, and shall bear interest at such rate or rates as may be fixed by ordinance, instrument or other document of the Town Board. Nothing herein shall be construed to prohibit the issuance of additional Securities payable from the Net Pledged Revenues, the principal of which is payable more frequently than annually or the interest on which is payable more frequently than semiannually.

ARTICLE VI

COVENANTS

The Town hereby particularly covenants and agrees with the Owners of the Series 2018 Note from time to time, and makes the following covenants and provisions which shall be a part of its contract with such Owners, which covenants and provisions shall be kept by the Town continuously until the Series 2018 Note have been fully paid and discharged:

Section 6.01. Rate Maintenance Covenant. The Town shall prescribe, revise and collect reasonable rates, fees and charges for use of the System which shall produce Income sufficient, together with any other moneys legally available therefor and credited to the Income Fund, to make the payments and accumulations required by this Ordinance; and which shall produce Income in each ensuing Fiscal Year sufficient, after payment of Operation and Maintenance Expenses, to pay an amount at least equal to 125% of the Combined Annual Debt Service Requirements for the Outstanding Notes and every other issue of Outstanding Additional Parity Obligations or other Parity Obligations. Such Income remaining after payment of Operation and Maintenance Expenses and the Debt Service Requirements of the Series 2018 Note and Outstanding Additional Parity Obligations and other Parity Obligations shall also be sufficient to pay 100% of the Combined Annual Debt Service Requirements of all Outstanding Subordinate Securities, plus any amounts required to meet then existing deficiencies pertaining to any fund or account relating to the Net Pledged Revenues or any securities payable therefrom.

The Town Board will increase rates, fees and charges in such manner and to such extent as to reasonably ensure the payments and accumulations required by the provisions of this Ordinance. If in any year it shall appear that such rates, fees and charges at any time shall not be sufficient to make all of the payments and accumulations required by this Ordinance, the Town shall retain an independent consultant experienced in the financial analysis of municipal water and sewer systems in the State, who shall analyze the rate structure and utilization of the System and make a written recommendation concerning any appropriate increases or other changes in such rate structure which would enable the Town to perform its covenants and make all of the payments and accumulations required hereby. The insufficiency of such rates, fees and charges to make such payments and accumulations shall not require any action by the Town to increase rates, fees or charges if, in the opinion of such consultant, the rates, fees and charges being

imposed are reasonable and consistent with the maximization of the Net Pledged Revenues. The Town Board, as the governing body of the Enterprise, will promptly review and implement, if reasonably possible, the recommendations of such consultant.

Section 6.02. Collection of Charges. The Town shall cause all rates, fees and charges to be billed promptly and collected as soon as reasonable, and shall prescribe and enforce rules and regulations or impose contractual obligations for the payment thereof, to the end that the Net Pledged Revenues shall be adequate to meet the requirements of this Ordinance and any other ordinance or instrument supplemental thereto. The rates, fees and charges shall be collected in any lawful manner.

Section 6.03. Competent Management. The Town shall employ experienced and competent management personnel for each component of the System. If the Town shall fail to pay the Debt Service Requirements of the Series 2018 Note promptly as the same become due, or if the Town shall fail to keep any of the covenants herein contained, and if such default shall continue for a period of 60 days, or if in any Fiscal Year the Net Pledged Revenues, together with any other moneys legally available therefor and credited to the Income Fund, should fail to equal at least the amount of the Debt Service Requirements of the Series 2018 Note and other obligations payable from the Net Pledged Revenues due in the Comparable Note Year, the Town shall retain a Qualified Management Consultant to assist in the management of the System so long as such default or deficiency continues.

Section 6.04. Performance of Duties. The Town, acting by and through its officers, or otherwise, shall faithfully and punctually perform, or cause to be performed, all duties with respect to the Income and the System required by the Constitution and laws of the State and the ordinances, resolutions and contracts of the Town, including without limitation the proper segregation of the proceeds of the Series 2018 Note and the Income and their application from time to time to the respective funds provided therefor.

Section 6.05. Costs of Note Issue and of Performance. Except as otherwise provided herein, all costs and expenses incurred in connection with the issuance of the Series 2018 Note, payment of the Debt Service Requirements, or the performance of or compliance with any covenant or agreement contained in this Ordinance shall be paid exclusively (but only from the appropriate special fund or account in the manner authorized herein) from the proceeds of the Series 2018 Note, the Net Pledged Revenues, or other legally available moneys, and in no event shall any of such costs or expenses be required to be paid out of or charged to the general fund of the Town.

Section 6.06. Contractual Obligations. The Town will perform all contractual obligations undertaken by it under this Ordinance and any other agreements relating to the Series 2018 Note, the Income or the System.

Section 6.07. Further Assurances. At any and all times the Town shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents, and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Net Pledged Revenues and

other funds hereby pledged or assigned, or intended so to be, or which the Town may hereafter become bound to pledge or assign, or as may be reasonable and required to carry out the purposes of this Ordinance. The Town, acting by and through its officers, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Net Pledged Revenues and other funds and accounts pledged hereunder and all the rights of every owner of the Series 2018 Note against all claims and demands of all Persons.

Section 6.08. Conditions Precedent. Upon the date of issuance of the Series 2018 Note, all conditions, acts and things required by the Constitution or laws of the United States of America, the Constitution or laws of the State, the Code and this Ordinance to exist, to have happened, and to have been performed precedent to or in the issuance of the Series 2018 note shall exist, have happened and have been performed, and the Series 2018 Note, together with all other obligations of the Town, shall not contravene any debt or other limitation prescribed by the Constitution or laws of the United States of America, the Constitution or laws of the State or the Code.

Section 6.09. Efficient Operation and Maintenance. The Town shall at all times operate the System properly and in a sound and economical manner. The Town shall maintain, preserve and keep the System properly or cause the same so to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the maintenance of the System may be properly and advantageously conducted. All salaries, fees, wages and other compensation paid by the Town in connection with the repair, maintenance and operation of the System shall be fair and reasonable.

Section 6.10. Records and Accounts. The Town will keep proper books of record and account, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the funds referred to herein.

Section 6.11. Rules, Regulations and other Details. The Town, acting by and through its officers, shall establish and enforce reasonable rules and regulations governing the construction, operation, care, repair, maintenance, management, control and use of the System. The Town shall observe and perform all of the terms and conditions contained in this Ordinance.

Section 6.12. Payment of Governmental Charges. The Town shall pay or cause to be paid all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the System, or upon any part thereof, or upon any portion of the Income, when the same shall become due, and shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the System, or any part thereof, except for any period during which the same are being contested in good faith by proper legal proceedings. The Town shall not create or suffer to be created any lien or charge upon the System, or any part thereof, or upon the Income, except the pledge and lien created by this Ordinance for the payment of the Debt Service Requirements due in connection with the Series 2018 Note, and except as herein otherwise permitted. The Town shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within 90 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other

objects which, if unpaid, might by law become a lien upon the System, or any part thereof, or the Income, but nothing herein requires the Town to pay or to cause to be discharged or to make provision for any such tax, assessment, lien or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Section 6.13. Protection of Security. The Town, its officers, agents and employees, shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Debt Service Requirements of the Series 2018 Note and any other Securities payable from the Net Pledged Revenues according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any owner of the Series 2018 Note or other Securities payable from Net Pledged Revenues might be prejudicially and materially impaired or diminished.

Section 6.14. Accumulation of Interest Claims. In order to prevent any accumulation of claims for interest after maturity, the Town shall not directly or indirectly extend or assent to the extension of the time for the payment of any claim for interest on the Series 2018 Note or any other Securities payable from the Net Pledged Revenues; and the Town shall not directly or indirectly be a party to or approve any arrangements for any such extension or for the purpose of keeping alive any of such claims for interest. If the time for the payment of any such installment of interest is extended in contravention of the foregoing provisions, such installment or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or the security of this Ordinance, except upon the prior payment in full of the principal of the Series 2018 Note and any such Securities the payment of which has not been extended.

Section 6.15. Prompt Payment of Series 2018 Note. The Town shall promptly pay the Debt Service Requirements of the Series 2018 Note at the places, on the dates, and in the manner specified herein and in the Series 2018 Note according to the true intent and meaning hereof.

Section 6.16. Use of Principal and Interest Account and Debt Service Reserve Account. The Principal and Interest Account and the Debt Service Reserve Account shall be used solely and only for the purpose of paying the Debt Service Requirements of the Series 2018 Note, any Additional Parity Obligations and any other Parity Obligations to their respective maturities or any Prepayment Date on which the Town is obligated to redeem Series 2018 Note, subject to Article VII hereof.

Section 6.17. Additional Securities. The Town shall not hereafter issue any Notes or Securities relating to the System and payable from the Net Pledged Revenues, other than the Series 2018 Note, without compliance with the requirements with respect to the issuance of Additional Parity Obligations or other Securities set forth herein to the extent applicable.

Section 6.18. Other Liens. At the time of issuance of the Series 2018 Note, there shall be no liens or encumbrances of any nature whatsoever on or against the System or any part thereof or on or against the Net Pledged Revenues, except as expressly provided by Final Terms Certificate.

Section 6.19. Reserved.

Section 6.20. Surety Bonds. Each official or other person having custody of the Income or responsible for its handling, shall be fully bonded at all times, which bond shall be conditioned upon the proper application of said moneys. The cost of each such bond shall be considered an Operation and Maintenance Expense, unless otherwise provided by law.

Section 6.21. Covenants Regarding Exclusion of Interest on Series 2018 Note from Gross Income for Federal Income Tax Purposes; Designation of Series 2018 Note as Qualified Tax Exemption. For purposes of ensuring that the interest on the Series 2018 Note, the interest on which is intended by the Town to be excluded from Gross Income for federal income tax purposes, is and remains excluded from gross income for federal income tax purposes (references to the Notes in this section shall not include any series of Notes for which the Town does not intend to file an Internal Revenue Form 8038-G), the Town hereby covenants that:

(a) ***Prohibited Actions.*** The Town will not use or permit the use of any proceeds of the Series 2018 Note or any other funds of the Town from whatever source derived, directly or indirectly, to acquire any securities or obligations and shall not take or permit to be taken any other action or actions, which would cause the Series 2018 Note to be an “arbitrage bond” within the meaning of Section 148 of the Code, or would otherwise cause the interest on the Series 2018 Note to be included in gross income for federal income tax purposes.

(b) ***Affirmative Actions.*** The Town will at all times do and perform all acts permitted by law that are necessary in order to assure that interest paid by the Town on the Series 2018 Note shall not be included in gross income for federal income tax purposes under the Code or any other valid provision of law. In particular, but without limitation, the Town represents, warrants and covenants to comply with the following rules unless it receives an opinion of Bond Counsel stating that such compliance is not necessary: (i) gross proceeds of the Series 2018 Note will not be used in a manner that will cause the Series 2018 Note to be considered a “private activity bond” within the meaning of the Code, (ii) the Notes are not and will not become directly or indirectly “federally guaranteed” and (iii) the Town will timely file Internal Revenue Form 8038 G which shall contain the information required to be filed pursuant to Section 149(e) of the Code.

(c) ***Letter of Instructions.*** The Town will comply with the Letter of Instructions delivered to it on the date of issuance of the Series 2018 Note, including but not limited by the provisions of the Letter of Instructions regarding the application and investment of Series 2018 Note proceeds, the calculations, the deposits, the disbursements, the investments and the retention of records described in the Letter of Instructions; provided that, in the event the original Letter of Instructions is superseded or amended by a new Letter of Instructions drafted by, and accompanied by an opinion of Bond Counsel stating that the use of the new Letter of Instructions will not cause the interest on the Series 2018 Note to become included in gross income for federal income tax purposes, the Town will thereafter comply with the new Letter of Instructions.

(d) To the extent necessary in the opinion of Bond Counsel, the Town shall comply with the provisions provided in Section 3.07 hereof and the Tax Compliance Certificate regarding rebate and arbitrage payments.

The Town hereby designates the Series 2018 Note as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code. The Town expects as of the date hereof that the aggregate face amount of all tax-exempt obligations issued by the Town, together with governmental entities which derive their issuing authority from the Town or are subject to substantial control by the Town, shall not be more than \$10,000,000 during calendar year 2018. The Town recognizes that such tax-exempt obligations include notes, leases, loans and warrants, as well as bonds.

Section 6.22. Disposal of Property. Except for the use of the System and services pertaining thereto in the ordinary course of business, no part of the System shall be sold, leased, mortgaged, pledged, encumbered or otherwise disposed of or otherwise alienated, until all of the Series 2018 Note has been paid in full, or unless provision has been made therefor, or until the Series 2018 Note has otherwise been prepaid; provided, however, that the Town may sell, exchange, lease or otherwise dispose of at any time and from time to time any property or facilities constituting part of the System and not necessary to the generation of sufficient Net Pledged Revenues to satisfy the express requirements of this Ordinance. Any proceeds of any such sale or exchange received and not used to replace such property so sold or exchanged shall be deposited in the Income Fund, and any proceeds of any such lease received shall be deposited by the Town as revenues of the System.

Section 6.23. Loss From Condemnation. If any part of the System is taken by the exercise of a power of eminent domain, the amount of any award received by the Town as a result of such taking shall be expended upon the Improvement of the System or shall be applied to the prepayment of the outstanding Series 2018 Note, any Outstanding Additional Parity Obligations and any other Outstanding Parity Obligations in accordance with the provisions hereof and of any other instrument pertaining to the issuance of any such Parity Obligations at maturity or prior thereto if the authorizing ordinances authorize the prior redemption of such securities, or shall be deposited in the Income Fund and held as a reserve for expenditure subsequently upon such capital improvements, or any combination thereof, as the Town Board may determine.

Section 6.24. Inspection of Records. Any Owner of the Series 2018 Note or any other securities payable from the Net Pledged Revenues, any duly authorized agent or agents of such Owner or the Lender shall have the right at all reasonable times to inspect all records, accounts and data relating thereto, concerning the System or the Income, to make copies of such records, accounts and data at the Owner’s expense, and to inspect the System and properties comprising the System.

Section 6.25. Audits Required. The Town, annually following the close of each Fiscal Year, shall order an audit for the Fiscal Year of the books and accounts pertaining to the System to be made forthwith by an Independent Accountant, and order an audit report showing the receipts and disbursements for each fund or account pertaining to the System or the Income. All

expenses incurred in the making of the audits and reports required by this Section may be regarded and paid as an Operation and Maintenance Expense.

Section 6.26. Insurance and Reconstruction. Except to the extent that the Town elects to insure itself, the Town shall at all times maintain with responsible insurers all such insurance reasonably required and obtainable within limits and at costs deemed reasonable by the Town as is customarily maintained with respect to water facilities of like character against loss of or damage to the System and against public and other liability to the extent at least reasonably necessary to protect the interest of the Town and of the Owner of Series 2018 Note or any other security payable from the Net Pledged Revenues, except as herein otherwise provided. If any part of the System shall be damaged or destroyed, the Town shall, as expeditiously as possible, commence and diligently proceed with the repair or replacement of the damaged or destroyed property so as to restore the same to use; provided that no such repair or replacement shall be required if the Town shall determine in good faith that the damaged or destroyed property was not, prior to such damage or destruction, materially contributing to the Net Pledged Revenues. The proceeds of any insurance appertaining to the System shall be payable to the Town and (except for proceeds of use and occupancy insurance) shall be applied to the necessary costs involved in such repair and replacement, and to the extent not so applied shall (together with the proceeds of any such use and occupancy insurance) be deposited in the Income Fund as Income. If the costs of such repair and replacement of the damaged or destroyed property exceed the proceeds of such property insurance available for payment of the same, moneys in the Income Fund shall be used to the extent necessary for such purpose, as permitted by Section 3.10 hereof.

Section 6.27. Estimated Life of Financed Property. The Town Board hereby determines that the estimated useful life of the assets financed or refinanced with the proceeds of the District Obligations is not less than the maximum term of the Series 2018 Note permitted hereunder.

Section 6.28. Financial Reporting. So long as the Series 2018 Note remains Outstanding, the Town hereby covenants and agrees to provide the Lender annual audited financial statements within 270 days of the end of the Fiscal Year.

ARTICLE VII

DEFEASANCE

When all Debt Service Requirements of the Series 2018 Note have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the Series 2018 Note shall no longer be deemed to be Outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment when the Town has placed in escrow or in trust with a Trust Bank, located within or without the State, cash or Federal Securities in an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to pay all Debt Service Requirements of the Series 2018 Note, as the same become due at their maturity date or upon any Prepayment Date as of which the Town shall have exercised or shall have obligated itself to exercise its option to prepay the Series 2018 Note. The Federal Securities shall become due prior to the respective times at which the proceeds thereof shall be needed, in accordance

with a schedule established and agreed upon between the Town and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the Owner thereof to assure such availability as so needed to meet such schedule. Nothing herein shall be construed to prohibit a partial defeasance of the outstanding Series 2018 Note in accordance with the provisions of this Article VII.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Events of Default. Each of the following events is hereby declared to be and to constitute an Event of Default:

(a) ***Nonpayment of Principal.*** Payment of the principal of the Series 2018 Note is not made when the same becomes due and payable, either at maturity or by proceedings for prepayment, or otherwise;

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

(c) ***Incapacity to Perform.*** The Town for any reason becomes incapable of fulfilling its obligations hereunder;

(d) ***Nonperformance of Duties.*** The Town shall have failed to 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 Income or to the System or otherwise, including, without limitation, this Ordinance, and such failure shall continue for 60 days after receipt of notice from the Owners of 25% in aggregate principal amount of the Notes then Outstanding; provided that if such failure cannot be cured within such 60 days and if during that period corrective action has commenced to remedy such failure and subsequently is diligently pursued by the Town to the completion of such performance, an Event of Default shall not be deemed to have occurred;

(e) ***Failure to Reconstruct.*** The Town discontinues or unreasonably delays or fails to carry out with reasonable dispatch the reconstruction of any essential part of the System which is condemned, destroyed or damaged and is not promptly repaired or replaced (whether such failure to repair the same is due to impracticality of such repair or replacement, or is due to a lack of moneys therefor, or for other reason);

(f) ***Appointment of Receiver.*** An order or decree is entered by a court of competent jurisdiction, with the consent or acquiescence of the Town, appointing a receiver or receivers for the System or for the Income and any other moneys subject to the lien to secure the payment of the Series 2018 Note, or both the System and such moneys, or if any order or decree, having been entered without the consent or acquiescence of the Town, is not vacated or discharged or stayed on appeal within 60 days after entry; and

(g) **Default of Any Provision.** The Town defaults in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Series 2018 Note or in this Ordinance on its part to be performed, and if such default continues for 60 days after written notice, specifying such default and requiring the same to be remedied, is given to the Town by the Owners of 25% in aggregate principal amount of the Notes then Outstanding; provided that if such failure cannot be cured within such 60 days and if during that period corrective action has commenced to remedy such default and subsequently is diligently pursued to the completion of such performance, an Event of Default shall not be deemed to have occurred.

Section 8.02. Remedies for Defaults. Upon the happening and continuance of any of the Events of Default, as provided in Section 8.01 hereof, then and in every case the Owner or Owners of not less than 25% in aggregate principal amount of the Notes then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the Town and its agents, officers and employees to protect and to enforce the rights of any Owner of Notes under this Ordinance by mandatory injunction or by other suit, action 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 covenant or agreement contained herein or for any proper legal or equitable remedy as such Owner or Owners 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 any Owner of any Note, or to require the Town to act as if it were the trustee of an express trust, or any combination of such remedies or as otherwise may be authorized by any statute or other provision of law. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Notes or other Parity Obligations then Outstanding. Any receiver or operating trustee appointed in any proceedings to protect the rights of such Owners hereunder may collect, receive and apply all Income arising after the appointment of such receiver or operating trustee in the same manner as the Town itself might do. The consent to any such appointment is hereby expressly granted by the Town.

Section 8.03. Rights and Privileges Cumulative. The failure of any Owner of any Outstanding Note to proceed in any manner herein provided shall not relieve the Town or any of its officers, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any such Owner or trustee therefor is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any Owner shall not be deemed a waiver of any other right or privilege thereof. Each Owner of any Note shall be entitled to all of the privileges, rights and remedies provided or permitted in this Ordinance and as otherwise provided or permitted by law or in equity or by statute, except as provided in Sections 10.02 and 10.03 hereof, and subject to the applicable provisions concerning the Income and the proceeds of the Series 2018 Note. Nothing herein affects or impairs the right of any Owner of any Note to enforce the payment of the Debt Service Requirements due in connection with this Note or the obligation of the Town to pay the Debt Service Requirements of each Note to the Owner thereof at the time and the place expressed in such Note.

Section 8.04. Duties Upon Default. Upon the happening of any of the Events of Default as provided in Section 8.01 hereof, the Town, in addition, will do and perform all proper acts on behalf of and for the Owners of the Outstanding Notes to protect and to preserve the security created for the payment of their Notes and to insure the payment of the Debt Service Requirements promptly as the same become due. During any period of default, so long as any of the Notes, as to any Debt Service Requirements, are Outstanding, except to the extent it may be unlawful to do so, all Net Pledged Revenues shall be paid into the Principal and Interest Account on an equitable and prorated basis, and used for the purposes therein provided. If the Town fails or refuses to proceed as in this Section 8.04 provided, the owner or Owners of not less than 25% in aggregate principal amount of the Notes then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of the Notes as hereinabove provided; and to that end any such owners of Outstanding Notes shall be subrogated to all rights of the Town under any agreement or contract involving the Net Pledged Revenues entered into prior to the effective date of this Ordinance or thereafter while any of the Notes are Outstanding. Nothing herein requires the Town to proceed as provided herein if it determines in good faith and without any abuse of its discretion that if it so proceeds it is more likely than not to incur a net loss rather than a net gain or that such action is likely to affect materially and prejudicially the Owners of the Outstanding Notes and any Outstanding Parity Obligations.

Section 8.05. Evidence of Security Owners. Any request, consent or other instrument which this Ordinance may require or may permit to be signed and to be executed by the Owner of any Notes or other Securities may be in one instrument or more than one instrument of similar tenor and shall be signed or may be executed by each Owner in person or by his attorney appointed in writing. Proof of the execution of any such instrument or of any instrument appointing any such attorney, or the ownership by any Person of the Securities, shall be sufficient for any purpose of this Ordinance (except as otherwise herein expressly provided) if made in the following manner:

(a) ***Proof of Execution.*** The fact and the date of the execution by any Owner of the Series 2018 Note or other securities or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of any officer of a bank or trust company satisfactory to the Registrar or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the individual signing such request or other instrument acknowledged to him the execution, duly sworn to before such notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate Owner of any Securities may be established without further proof if such instrument is signed by an individual purporting to be the president or vice president of such corporation with the corporate seal affixed and attested by an individual purporting to be its secretary or an assistant secretary; and the authority of any Person or Persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if such instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity; and

(b) ***Proof of Ownership.*** The amount of Series 2018 Note owned by any Person executing any instrument as an Owner of Series 2018 Note, and the numbers, date and other identification thereof, together with the date of his ownership of the Series

2018 Note, shall be determined from the registration books of the Town. The amount of other securities, if applicable, owned by any Person executing any instrument as an owner of such securities, and the numbers, date and other identification thereof, shall be determined from the related registration books; but the Registrar may nevertheless in its discretion require further or other proof in cases where it deems the same advisable.

ARTICLE IX

AMENDMENT OF ORDINANCE

Section 9.01. Amendments of Ordinance Not Requiring Consent of Note Owners. The Town may, without the consent of, or notice to, the Owners of the Notes, adopt such ordinances supplemental hereto (which amendments shall thereafter form a part hereof) for any one or more or all of the following purposes:

(a) to cure or correct any formal defect, ambiguity or inconsistent provision contained in this Ordinance;

(b) to appoint successors to the Registrar or Transfer Agent;

(c) to designate a trustee for the Owners of the Notes, to transfer custody and control of the Income to such trustee, and to provide for the rights and obligations of such trustee;

(d) to add to the covenants and agreements of the Town or the limitations and restrictions on the Town set forth herein;

(e) to pledge additional revenues, properties or collateral to the payment of the Notes;

(f) to cause this Ordinance to comply with the Trust Indenture Act of 1939, as amended from time to time; or

(g) to effect any such other changes hereto which do not in the opinion of Bond Counsel materially adversely affect the interests of the Owners of the Notes.

Section 9.02. Amendment of Ordinance Requiring Consent of Note Owners. Exclusive of the amendatory ordinances covered by Section 9.01 hereof, this Ordinance may be amended or modified by ordinances or other instruments duly adopted by the Town Board, without receipt by it or any additional consideration, but with the written consent of the Owners of 66% in aggregate principal amount of the Notes then Outstanding at the time of the adoption of such amendatory ordinance; provided that no such amendatory ordinance shall permit:

(a) ***Changing Payment.*** A change in the maturity or in the terms of prepayment of the principal of any Outstanding Note or any installment of interest thereon;

(b) **Reducing Return.** A reduction in the principal amount of any Note or the rate of interest thereon without the consent of the owner of the Note;

(c) **Prior Lien.** The creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by this Ordinance;

(d) **Modifying Amendment Terms.** A reduction of the principal amount or percentages of Notes, or any modification otherwise affecting the description of Series 2018 Note, otherwise changing the consent of the Owner of Series 2018 Note, which may be required herein for any amendment hereto; or

(e) **Partial Modification.** Any modifications otherwise materially and prejudicially affecting the rights or privileges of the Owner of the Series 2018 Note.

Whenever the Town Board proposes to amend or modify this Ordinance under the provisions of this Section 9.02 it shall give notice of the proposed amendment by mailing such notice to the owner of Series 2018 Note at the address appearing on the registration books of the Town. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory ordinance or other instrument is on file in the office of the Town Clerk for public inspection.

Section 9.03. Time for and Consent to Amendment. Whenever at any time within one year from the date of the completion of the notice required to be given by Section 9.02 hereof there shall be filed in the office of the Town Clerk an instrument or instruments executed by the Owners of at least 66% in aggregate principal amount of the Notes then Outstanding, which instrument or instruments shall refer to the proposed amendatory ordinance or other instrument described in such notice and shall specifically consent to and approve the adoption of such ordinance or other instrument, thereupon, but not otherwise, the Town Board may adopt such amendatory ordinance or instrument and such ordinance or instrument shall become effective. If the Owners of at least 66% in aggregate principal amount of the Notes then Outstanding, at the time of the adoption of such amendatory ordinance or instrument, or the predecessors in title of such Owners, shall have consented to and approved the adoption thereof as herein provided, no Owner of any Note, whether or not such Owner shall have consented to or shall have revoked any consent as herein provided, shall have any right or interest to object to the adoption of such amendatory ordinance or other instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the Town from taking any action pursuant to the provisions thereof. Any consent given by the Owner of a Note pursuant to the provisions thereof shall be irrevocable for a period of six months from the date of the completion of the notice above provided for and shall be conclusive and binding upon all future Owners of the same Note during such period. Such consent may be revoked at any time after six months from the completion of such notice, by the Owner who gave such consent or by a successor in title, by filing notice of such revocation with the Town Clerk, but such revocation shall not be effective if the Owners of 66% in aggregate principal amount of the Notes Outstanding as herein provided, prior to the attempted revocation, shall have consented to and approved the amendatory instrument referred to in such revocation.

Section 9.04. Unanimous Consent. Notwithstanding anything in the foregoing provisions contained, the terms and the provisions of this Ordinance, or of any ordinance or instrument amendatory thereof, and the rights and the obligations of the Town and of the Owners of the Notes may be modified or amended in any respect upon the adoption by the Town and upon the filing with the Town Clerk of an instrument to that effect and with the consent of the Owners of all the then Outstanding Notes, such consent to be given in the manner provided in Section 9.03 hereof; and no notice to Owners of Notes shall be required as provided in Section 9.02 hereof, nor shall the time of consent be limited except as may be provided in such consent.

Section 9.05. Exclusion of Notes. At the time of any consent or other action taken hereunder the Registrar shall furnish to the Town Clerk a certificate, upon which the Town Clerk may rely, describing all Notes to be excluded for the purpose of consent or other action or any calculation of Outstanding Notes provided for hereunder, and, with respect to such excluded Notes, the Town shall not be entitled or required with respect to such Notes to give or obtain any consent or to take any other action provided for hereunder.

Section 9.06. Notation on Notes. Any Note delivered after the effective date of any action taken as provided in Section 9.02 or Outstanding at the effective date of such action, may bear a notation thereon by endorsement or otherwise in form approved by the Town Board as to such action; and if such Series 2018 Note so executed and delivered after such date does not bear such notation, then upon demand of the Owner of the Series 2018 Note Outstanding at such effective date and upon presentation of his or her Series 2018 Note for such purpose at the principal office of the Town, suitable notation shall be made on such Series 2018 Note by the Town Clerk as to any such action. If the Town Board so determines, a new Series 2018 Note so modified as in the opinion of the Town Board to conform to such action shall be prepared, executed and delivered; and upon demand of the Owner of the Series 2018 Note then Outstanding, shall be exchanged without cost to such Owner for a Series 2018 Note then Outstanding upon surrender of such Outstanding Series 2018 Note.

Section 9.07. Proof of Instruments and Notes. The fact and date of execution of any instrument under the provisions of this Article IX, the amount of the Series 2018 Note owned by any Person executing such instrument, and the date of their registering the same may be proved as provided by Section 8.05 hereof.

ARTICLE X

MISCELLANEOUS

Section 10.01. Reserved.

Section 10.02. Character of Agreement. None of the covenants, agreements, representations or warranties contained herein or in the Series 2018 Note shall ever impose or shall be construed as imposing any liability, obligation or charge against the Town (except for the special funds pledged therefor) or against the general credit of the Town payable out of general funds or out of any funds derived from general property taxes.

Section 10.03. No Pledge of Property. The payment of the Series 2018 Note is not secured by an encumbrance, mortgage or other pledge of property of the Town except for the Net Pledged Revenues and other funds expressly pledged by this Ordinance. No property of the Town, subject to such exception with respect to the Net Pledged Revenues pledged for the payment of the Series 2018 Note and other funds expressly pledged by this Ordinance, shall be liable to be forfeited to taken in payment of the Series 2018 Note.

Section 10.04. Statute of Limitations. No action or suit based upon the Series 2018 Note or other obligation of the Town shall be commenced after it is barred by any statute of limitations pertaining thereto. Any trust or fiduciary relationship between the Town and the Owner of any Note or the obligee regarding any such obligation shall be conclusively presumed to have been repudiated on the maturity date or other due date thereof unless the Series 2018 Note is presented for payment or demand for payment of such other obligation is otherwise made before the expiration of the applicable limitation period. Any moneys from whatever source derived remaining in any fund or account reserved, pledged or otherwise held for the payment of any such obligation, action or suit, the collection of which has been barred, shall revert to the Income Fund, unless the Town Board shall otherwise provide by ordinance. Nothing herein prevents the payment of the Series 2018 Note or other obligation after an action or suit for its collection has been barred if the Town Board deems it in the best interests of the Town or the public so to do and orders such payment to be made.

Section 10.05. Delegated Duties. The officers of the Town are hereby authorized and directed to enter into such agreements and take all action necessary or appropriate to effectuate the provisions of this Ordinance and to comply with the requirements of law, including, without limitation:

(a) **Preparation of Series 2018 Note.** The preparation of the Series 2018 Note for delivery to the Lender;

(b) **Execution and Delivery of Series 2018 Note.** The execution of the Series 2018 Note and the delivery of the Series 2018 Note to the Lender pursuant to the provisions of this Ordinance;

(c) **Information.** The assembly and dissemination of financial and other information concerning the Town and the Series 2018 Note; and

(d) **Closing Certificates.** The execution of such certificates as may be reasonably required by the Lender, relating, inter alia, to:

- (i) the signing of the Series 2018 Note;
- (ii) the tenure and identity of the officials of the Town;
- (iii) if in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Series 2018 Note;

(iv) the exclusion of interest on the Series 2018 Note from federal income taxation and the exemption of interest on the Series 2018 Note from State income taxation; and

(v) the delivery of the Series 2018 Note and the receipt of the Note purchase price.

Section 10.06. Declaration of Emergency. The Lender's offer to purchase the Series 2018 Note includes an interest rate quote that is set to expire, in accordance with the terms of the Lender's offer, on July 10, 2018. Due to present and future uncertainties that exist within and affect the municipal bond market and based on the advice of Town personnel and the Loan Arranger, the Town Board has determined that the expedited issuance of the Series 2018 Note, prior to the expiration of the Lender's quoted interest rate, and the application of the net proceeds thereof to the completion of the Project is necessary for the immediate preservation of the public peace, property, health and safety. Therefore, a public emergency is declared to exist.

Section 10.07. Successors. Whenever herein the Town is named or is referred to, such provision shall be deemed to include any successors of the Town, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of and other provisions for the benefit of the Town contained herein shall bind and inure to the benefit of any officer, board, district, commission, authority, agency, instrumentality or other Person or Persons to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Town or of its respective successors, if any, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

Section 10.08. Rights and Immunities. Except as herein otherwise expressly provided, nothing herein expressed or implied is intended or shall be construed to confer upon or to give to any Person, other than the Town, and the Owners from time to time of the Series 2018 Note, any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Town shall be for the sole and exclusive benefit of the Town, and any Owner of the Series 2018 Note.

No recourse shall be had for the payment of the Debt Service Requirements of the Series 2018 Note or for any claim based thereon or otherwise upon this Ordinance authorizing their issuance or any other ordinance or instrument pertaining thereto, against any individual member of the Town Board, or any officer or other agent of the Town, past, present or future, either directly or indirectly through the Town, or otherwise, whether by virtue of any constitution, statute or rule of law or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Series 2018 Note and as a part of the consideration of their issuance specially waived and released.

Section 10.09. Ratification. All action not inconsistent with the provisions of this Ordinance heretofore taken by the Town or its officers, and otherwise by the Town directed toward the Project or the issuance of the Series 2018 Note for the purposes described herein is hereby ratified, approved and confirmed.

Section 10.10. Facsimile Signatures. Pursuant to the Uniform Facsimile Signature of Public Officials Act, Part 1, Article 55, Title 11, C. R. S., as amended, the Mayor and the Town Clerk shall forthwith, and in any event prior to the time the Series 2018 Note is delivered to the Lender, file with the Colorado Secretary of State their manual signatures certified by them under oath.

Section 10.11. Ordinance Irrepealable. This Ordinance is, and shall constitute a legislative measure of the Town and after the Series 2018 Note is issued, this Ordinance shall constitute an irrevocable contract between the Town and the Owner or Owners of the Series 2018 Note; and this Ordinance, subject to the provisions of Articles VII and IX hereof, if any Series 2018 Note is in fact issued, shall be and shall remain irrepealable until the Series 2018 Note, as to all Debt Service Requirements, shall be fully paid, cancelled and discharged, as herein provided.

Section 10.12. Repealer. All ordinances, resolutions, bylaws, orders and other instruments, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance, resolution, bylaw, order or other instrument, or part thereof, heretofore repealed.

Section 10.13. Severability. If any section, paragraph, clause or other provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any of the remaining sections, paragraphs, clauses or provisions of this Ordinance.

Section 10.14. Effectiveness; Expiration. This Ordinance shall take effect immediately following final passage. This Ordinance shall expire to the extent that the Series 2018 Note authorized herein is not issued by December 31, 2018.

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INTRODUCED, READ, FINALLY ADOPTED AND ORDERED POSTED, on June 4, 2018 and published in accordance with law on June 4, 2018.

TOWN OF FAIRPLAY, COLORADO

[TOWN SEAL]

By _____
Frank Just, Mayor

Attest:

Tina Darrah, Town Clerk

APPROVED AS TO FORM:

Herbert C. Phillips, Town Attorney



MEMORANDUM

TO: Mayor and Board of Trustees
FROM: Kim Wittbrodt
RE: New Bank Account Signers - Resolution Number 21
DATE: May 30, 2018

Attached please find Resolution Number 21 authorizing the following financial institution changes. We need to have new signature cards prepared at all of our financial institutions to reflect new trustee positions and new staff.

The current signers are Gabby Lane, Frank Just, Tina Darrah and Claudia Werner. The new signers will be Frank Just, Ray Douglas, Tina Darrah and Angelique Griffin.

The accounts to be updated at TBK Bank are as follows:

- TOF – Disbursement Account ending in 3402
- TOF – Deposit Account ending in 3403
- TOF – Square Reader Account ending in 3404
- TOF – Street Cut Escrow Account ending in 8210
- Fairplay Sanitation District – Checking Account ending in 6201

There will be no other changes to the account information at this time.

The accounts to be updated at Csafe are as follows:

- TOF – Water Fund
- TOF – Conservation Trust Fund

The accounts to be updated at ColoTrust are:

- TOF – General Fund CO-01-0580-1640
- TOF – Water Fund – CO-01-0580-2330
- FSD – CO-01-0201-7244
- FSD – CO-01-0201-7245
- FSD – CO-01-0201-7248
- FSD – CO-01-0201-7249

The account at Collegiate Peaks bank to be updated is as follows:

- TOF – Savings – Account ending in 4781

I will have forms for the new signers to complete and I need a color copy of your driver's license.

Recommended Motion: Approval of Resolution Number 21. This will require a 2nd and a voice vote.

TOWN OF FAIRPLAY, COLORADO

RESOLUTION NO. 21
(Series of 2018)

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF FAIRPLAY, COLORADO DESIGNATING THOSE PERSONS WHO ARE AUTHORIZED TO SIGN ON TOWN BANK ACCOUNTS.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF FAIRPLAY, COLORADO:

Section 1. The following persons are authorized signatories for all bank or financial institution accounts maintained by the Town of Fairplay:

- A. Frank Just, Mayor
- B. Ray Douglas, Mayor Pro-Tem
- C. Angelique Griffin, Deputy Town Clerk
- D. Tina Darrah, Town Administrator/Town Clerk

All checks or other instruments evidencing the withdrawal of Town funds from any bank or other financial institution shall be signed by either Frank Just, Mayor, or Ray Douglas, Mayor Pro-Tem, and by either Tina Darrah, Town Administrator/Town Clerk, or Angelique Griffin, Deputy Town Clerk.

Section 2. All Resolutions of the Town of Fairplay which are inconsistent herewith are hereby repealed.

Section 3. This resolution shall become effective upon adoption.

ADOPTED the 4th day of June, 2018.

TOWN OF FAIRPLAY, COLORADO

By _____
Mayor

Town Clerk

Officer Bo Schlunsen

FAIRPLAY POLICE DEPARTMENT



To: Fairplay Board of Trustees
From: Acting Police Chief Bo Schlunsen
Date: 31 May, 2018
Re: June Report to the Board

The Police Department had 22 case reports for May including 6 traffic crashes, 3 code enforcement reports and 4 traffic citations. Summer activity has clearly picked up. There has been a rash of car break-ins.

The Park County Sheriff's Department continues to provide much appreciated assistance with call coverage.

The search continues for police officers. I'm performing background checks on two applicants at present.

Reserve Officer Rick Chapel and I reviewed 4 hours of CIRSA driving training and so have completed all mandatory training for the year. We'll get more training in as the year goes on.



901 Main St ~ PO Box 267 Fairplay, CO 80440
P: 719-836-2840 F: 719-836-2849 Email: bschlunsen@fairplayco.us

