

## RESOLUTIONS -- 2004

| Resolution Number | Date Signed | Name   |
|-------------------|-------------|--|
| 1-2004            | 01-05-04    | Amend 2003 Budget                              |
| 2-2004            | 01-19-04    | Agr vital Economy – Grazing                    |
| 3-2004            | 03-01-04    | Jail Bond refinancing                          |
| 4-2004            | 03-08-04    | Support Mesa Verde for Quarter design          |
| 5-2004            | 06-14-04    | Join in the County Health Pool                 |
| 6-2004            | 06-21-04    | Fire ban                                       |
| 7-2004            | 07-12-04    | County Sales Tax Question                      |
| 8-2004            | 06-28-04    | Term Limit Question/Sheriff                    |
| 9-2004            | 06-28-04    | Term Limit Question/Coroner                    |
| 10-2004           | 06-28-04    | Term Limit Question/Assessor, Clerk, Treasurer |
| 11-2004           | 09-13-04    | Library Authority- Cortez Public Library       |
| 12-2004           | 09-13-04    | Suspend Fire Ban                               |
| 13-2004           | 10-11-04    | Amended land Use Code (TDR)                    |
| 14-2004           | 11-15-04    | Character Resolution                           |
| 15-2004           | 12-13-04    | Supplemental budget and appropriation          |
| 16-2004           | 12-13-04    | Adopting a Budget for Montezuma County         |
| 17-2004           | 12-13-04    | Set Mill Levies                                |
| 18-2004           | 12-13-04    | Appropriate sums of money                      |
| 19-2004           | 12-06-04    | LEAF block grant - Sheriff                     |

**RESOLUTION # 19-2004**

**A RESOLUTION APPROVING THE LAW ENFORCEMENT ASSISTANCE  
FUND (LEAF) CONTRACT L-39-05**

**WHEREAS**, the County of Montezuma, on behalf of the Montezuma County Sheriff's Office, has submitted an application to the Colorado Department of Transportation, Office of Transportation Safety for funding a LEAF project for the enforcement of laws pertaining to the driving under the influence of alcohol or other drugs, pursuant to 343-4-401 through 404, CRS and to LEAF Rules at 2CCR 602.1; and

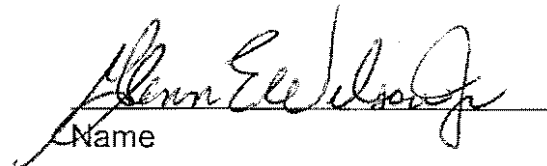
**WHEREAS**, the State has approved an application and has prepared LEAF Contract which provides \$24,000; and

**WHEREAS**, the County of Montezuma has the authority and responsibility to fund the Montezuma County Sheriff's Office and to sign contracts on behalf of the Montezuma County Sheriff's Office; and

**WHEREAS**, a resolution by the County of Montezuma formally approving the LEAF Contract and authorizing the proper signature to be affixed to the Contract indicating such approval is required by the State of Colorado.

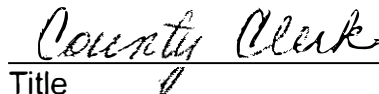
**NOW, THEREFORE, BE IT RESOLVED**, the County of Montezuma hereby approves the term, conditions and obligations of LEAF Contract and hereby authorizes the appropriate authority to sign the LEAF Contract on behalf of the County of Montezuma.

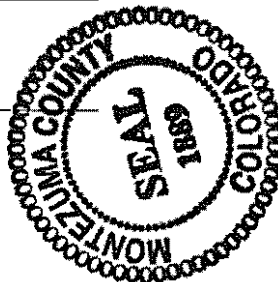
(SEAL)

  
Name

  
Title

  
Attest

  
Title



# SPECIAL PROVISIONS

CONTRACTOR:

County of Montezuma

Legal Name of Contracting Entity

846000786

Social Security Number or FEIN

Barry E. Silson Sr.

Signature of Authorized Officer

Barry E. Silson Sr. Chair

Print Name & Title of Authorized Officer

STATE OF COLORADO:

BILL OWENS, GOVERNOR

By \_\_\_\_\_

Tom E. Norton  
Executive Director

Colorado Department of Transportation

LEGAL REVIEW:

KEN SALAZAR, ATTORNEY GENERAL

By WAIVED 4-17-98

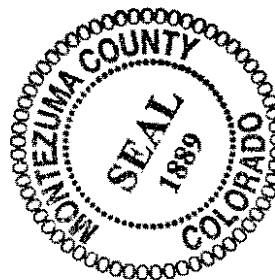
APPROVED AS TO FORM:

\_\_\_\_\_

(An attestation is required.)

Attest (Seal) By Carol Mullis

(Town/City/County Clerk)



CRS 24-30-202 requires that the State Controller approve all state contracts. This contract is not valid until the State Controller, or such assistant as he may delegate, has signed it. The contractor is not authorized to begin performance until the contract is signed and dated below. If performance begins prior to the date below, the State of Colorado may not be obligated to pay for the goods and/or services provided.

STATE CONTROLLER:

LESLIE M. SHENEFELT

By \_\_\_\_\_

GEORGE MCCULLAR, CDOT CONTROLLER

Date \_\_\_\_\_

# COLORADO DEPARTMENT OF TRANSPORTATION

## LEAF CONTRACT ATTACHMENT A



### LEAF OBJECTIVE PLAN

|   |  |
|---|--|
| LEAF project # L-39-05                  | Responsible Agency Montezuma County Sheriff's Office |
| Contract Period 1-1-05 through 12-31-05 | Project Coordinator Lieutenant William Conner        |

LEAF Objective:

**FL01-51:** To increase and improve the enforcement of the laws pertaining to alcohol and drug related traffic offenses within the Montezuma County Sheriff's Office by performing dedicated DUI enforcement and activities described in the Approved Application and summarized below.

| Activity # | Activity Description   |
|------------|--|
| 1          | Provide officers through out the term of this contract to perform dedicated DUI/DRE enforcement duties and activities within the Montezuma County Sheriff's Office as stated in the Approved Application.  |
| 2          | Conduct at least two sobriety checkpoints or saturation patrols during 2005. This can be in cooperation with a nearby agency, the State Patrol or solely by the Montezuma County Sheriff's Office.   |
| 3          | The Montezuma County Sheriff's Office will be actively involved in CDOT's DUI enforcement public awareness campaign by participating in the joint efforts. This includes, but not limited to, obtaining media interviews and media outreach, hosting media ride alongs and similar activities. The Montezuma County Sheriff's Office will report back the requested data to CDOT by the specified times. |
| 4          | Make all reasonable efforts to increase the DUI alcohol and drug related arrests by 10% within the Montezuma County Sheriff's Office from the 2004 level.  |

# **COLORADO DEPARTMENT OF TRANSPORTATION**

## **LEAF CONTRACT ATTACHMENT B**



### **LEAF REPORTING CRITERIA**

LEAF Project # **L-39-05** Montezuma County Sheriff's Office

- 1). Each quarter the Contractor shall submit a report to the Office of Transportation Safety in accordance with the LEAF Contract Management Manual. The Quarterly Reports will state all activity accomplishments as required by Contract Number L-39-05 during the reporting period. Montezuma County Sheriff's Office will use the provided LEAF Grant Manager software package when compiling data and submitting the required reports. All recipients are required to use the software so the Colorado Department of Transportation can better manage the statewide LEAF program.
- 2). No payment for cost incurred during the reporting period will be reimbursed by the Office of Transportation Safety if such Quarterly Reports are not current or are not compiled using the LEAF Grant Manager software program.
- 3). Upon completion of all LEAF activity the Montezuma County Sheriff's Office will submit a Final Report in accordance with the LEAF Contract Management Manual.

# COLORADO DEPARTMENT OF TRANSPORTATION

## LEAF CONTRACT ATTACHMENT C



LEAF Project L-39-05 Montezuma County Sheriff's Office

### REVENUES

#### TOTAL LEAF Funds

Personal Services: \$23,100  
Operating Expenses \$900

| Category           | LEAF Funds      |
|--------------------|-----------------|
| Personal Services  | \$23,100        |
| Operating expenses | \$900           |
| Capital equipment  |                 |
| Travel expenses    |                 |
| <b>TOTAL</b>       | <b>\$24,000</b> |

## CONTRACT

THIS CONTRACT, Made this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by and between the State of Colorado, for the use and benefit of the Colorado Department of Transportation, Office of Transportation Safety, 4201 East Arkansas Avenue, Denver, Colorado 80222 (hereinafter referred to as "the State") and the County of Montezuma for the Montezuma County Sheriff's Office (hereinafter referred to as "the Contractor").

WHEREAS, authority exists in the Law and Funds have been budgeted, appropriated and otherwise made available and a sufficient unencumbered balance thereof remains available for payment in Fund Number 403 , **Appropriation Code 304 , ORGN 8001, FEIN# 84-6000786 and GBL # LE-39;**

WHEREAS, required approval, clearance and coordination has been accomplished from and with appropriate agencies; and

WHEREAS, the Legislature has created the Law Enforcement Assistance Fund (LEAF) for the prevention of drunken driving (43-4-401 through 43-4-404, CRS, replacement edition); and

WHEREAS, LEAF has been established to provide funds to aid in the prevention of drunken driving and the enforcement of laws pertaining to driving under the influence of alcohol and drugs; and

WHEREAS, pursuant to 43-4-404, C.R.S., the State is authorized to allocate LEAF funds by contract to local authorities (cities and counties) to benefit the health and safety of persons in Colorado by the implementation of local programs developed by the local authorities for drunken driving prevention and law enforcement improvements; and

WHEREAS, the Contractor has submitted a LEAF project funding Application, which has been approved by the State; and

WHEREAS, the Contractor has established a qualified program, consistent with current State Highway Safety rules at 2CCR 602-1, to coordinate efforts to prevent drunken driving and to enforce laws pertaining to driving under the influence of alcohol and drugs within its jurisdiction; and

WHEREAS, the Contractor has available the technical ability to properly perform the project as described in the Approved Application and to address the LEAF objectives of the Legislature; and

WHEREAS, this Contract is executed by the State under authority of 29-1-203, 43-1-106, 43-4-402 and 403, and 24-42-103 CRS, and by the Contractor under sections 29-1-203 and 30-11-101, 31-15-101 CRS or home rule charter, as applicable, and the attached resolution.

NOW THEREFORE, it is hereby agreed as follows:

1. The Contractor's Approved LEAF Application, the LEAF Contract Management Manual dated February 1, 2000 and LEAF Application Guidelines, the State Highway Safety Rules at 2CCR 602-1, and Attachments A, B and C are incorporated herein by this reference as terms and conditions of this contract. The Contractor acknowledges that it has received copies of the LEAF Contract Management Manual, the Application Guidelines, and the State Highway Safety Rules. The Contractor shall comply with all terms and conditions of this Contract. In the event of a conflict between the terms of this Contract and the terms of the incorporated materials, the following priority shall be used to resolve such conflict:

- A. State Highway Safety Rules; then
- B. LEAF Contract Management Manual and Guidelines; then
- C. This Contract; then
- D. Attachments A, B, C, in that order; then
- E. Approved Application.

2. The Contractor shall carry out the program and shall perform the activities which are specifically described in the Approved Application and are generally described in Attachment A (collectively, "the project").

3. The Contractor shall submit quarterly reports to the State detailing the performance of this Contract according to the reporting criteria described in Attachment B.

4. Project Funding Provisions. The total budget amount authorized by this Contract for the actual costs of the project work is \$24,000, as described in Attachment C. The State shall participate in the payment as provided herein.

|                             |                 |
|-----------------------------|-----------------|
| State's maximum (from LEAF) | <b>\$24,000</b> |
| <b>TOTAL AMOUNT</b>         | <b>\$24,000</b> |

The State shall use LEAF funds exclusively to pay for the actual costs incurred by the Contractor for the project work up to the State's maximum. If the Contractor incurs project costs which exceed the Attachment C budget amount without first obtaining an approval in that amount by written contract amendment, the Contractor shall be solely responsible for the payment of such excess costs.

The State budget amount will be provided solely from LEAF funds. Any obligation of the State under this Contract is contingent upon LEAF funds being available for this Contract. The State will pay the Contractor for actual costs incurred on a quarterly basis, subject to prior review and approval by the State of work performance and pursuant to payment procedures contained in the LEAF Contract Manual. The Contractor shall maintain an itemized accounting of all billings and other records to support all costs charged to the Contract and shall present same to the State upon request.

5. The effective date of this contract shall be the date the Controller of the State of Colorado approves this contract, or such later date specified herein. **The Contract shall terminate on December 31, 2005.**



6. The Contractor agrees that any subcontracts entered into by the Contractor under this Contract must meet all applicable State and Federal requirements and must be approved by the Office of Transportation Safety prior to execution by the Contractor.

7. a) Termination Due to Loss of Funding. The parties hereto expressly recognize that the Contractor is to be paid, reimbursed, or otherwise compensated solely with certain funds provided to the State for the purpose of contracting for the services provided for herein. Therefore, the Contractor expressly understands and agrees that all its rights, demands and claims to compensation arising under this Contract are contingent upon receipt of such funds by the State. In the event that such funds or any part thereof are not received by the State, the State may immediately terminate this Contract.

b) Termination for Cause. If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner the obligations under this Contract, or shall violate any of the covenants, agreements or stipulations of this Contract, the State shall thereupon have the right to terminate this Contract for cause by giving written notice to the Contractor such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports of other material prepared by the Contractor under this Contract shall, at the option of the State, become its property, and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Notwithstanding the above, the Contractor shall not be relieved of liability to the State for any damages sustained by the State party by virtue of a breach of the Contract by the Contractor, and the State may withhold any payments to the Contractor for the purpose of setoff until such time as the exact amount of damages due the State from the Contractor is determined.

c) Termination for Convenience. The State may terminate this Contract at any time that it determines that the purpose of the distribution of monies under the Contract would no longer be served by completion of the Project. The State shall effect such termination by giving written notice of termination to the Contractor and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination.

8. The Contractor shall adopt a resolution substantially in the form presented by the State, which approves this Contract and authorizes a signatory to execute this Contract. A copy of such resolution shall be attached to and made a part of this Contract.

9. The contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither the contractor nor any agent or employee of the contractor shall be, or shall be deemed to be, an agent or employee of the state, and they shall have no authorization, express or implied, to bind the state to any agreements, settlements, liability, or understanding except as expressly set forth herein. The contractor shall be responsible to the state for the ultimate results of performance required hereunder but shall not be subject to the direction and control of the state as to the means and methods of accomplishing the results. The specifications in this contract of particular performance standards the state deems essential to proper performance and contract value shall in no event be deemed to alter this relationship. Contractor shall pay when due all required employment taxes and income tax withholding, including all federal and state income tax on any moneys paid pursuant to this grant contract.

The contractor shall provide and keep in force worker's compensation (and show proof of such insurance) and unemployment compensation insurance in the amounts required by law, and shall be solely responsible for the acts of the contractor, its employees and agents. The contractor acknowledges that contractor and its employees are not entitled to the benefits of worker's compensation insurance or unemployment insurance unless the contractor or a third party provides such coverage and that the state does not pay for or otherwise provide such coverage.

# SPECIAL PROVISIONS

## (For Use Only with Inter-Governmental Contracts)

### 1. CONTROLLER'S APPROVAL. CRS 24-30-202 (1)

This contract shall not be deemed valid until it has been approved by the Controller of the State of Colorado or such assistant as he may designate.

### 2. FUND AVAILABILITY. CRS 24-30-202 (5.5)

Financial obligations of the State of Colorado payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

### 3. INDEMNIFICATION.

To the extent authorized by law, the contractor shall indemnify, save, and hold harmless the State against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees incurred as a result of any act or omission by the Contractor, or its employees, agents, subcontractors, or assignees pursuant to the terms of this contract.

No term or condition of this contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions for the parties, of the Colorado Governmental Immunity Act, CRS 24-10-101 *et seq.* or the Federal Tort Claims Act, 28 U.S.C. 2671 *et seq.* as applicable, as now or hereafter amended.

### 4. INDEPENDENT CONTRACTOR. 4 CCR 801-2

THE CONTRACTOR SHALL PERFORM ITS DUTIES HEREUNDER AS AN INDEPENDENT CONTRACTOR AND NOT AS AN EMPLOYEE. NEITHER THE CONTRACTOR NOR ANY AGENT OR EMPLOYEE OF THE CONTRACTOR SHALL BE OR SHALL BE DEEMED TO BE AN AGENT OR EMPLOYEE OF THE STATE. CONTRACTOR SHALL PAY WHEN DUE ALL REQUIRED EMPLOYMENT TAXES AND INCOME TAX AND LOCAL HEAD TAX ON ANY MONIES PAID BY THE STATE PURSUANT TO THIS CONTRACT. CONTRACTOR ACKNOWLEDGES THAT THE CONTRACTOR AND ITS EMPLOYEES ARE NOT ENTITLED TO UNEMPLOYMENT INSURANCE BENEFITS UNLESS THE CONTRACTOR OR THIRD PARTY PROVIDES SUCH COVERAGE AND THAT THE STATE DOES NOT PAY FOR OR OTHERWISE PROVIDE SUCH COVERAGE. CONTRACTOR SHALL HAVE NO AUTHORIZATION, EXPRESS OR IMPLIED, TO BIND THE STATE TO ANY AGREEMENTS, LIABILITY, OR UNDERSTANDING EXCEPT AS EXPRESSLY SET FORTH HEREIN. CONTRACTOR SHALL PROVIDE AND KEEP IN FORCE WORKERS' COMPENSATION (AND PROVIDE PROOF OF SUCH INSURANCE WHEN REQUESTED BY THE STATE) AND UNEMPLOYMENT COMPENSATION INSURANCE IN THE AMOUNTS REQUIRED BY LAW, AND SHALL BE SOLELY RESPONSIBLE FOR THE ACTS OF THE CONTRACTOR, ITS EMPLOYEES AND AGENTS.

### 5. NON-DISCRIMINATION.

The contractor agrees to comply with the letter and the spirit of all applicable state and federal laws respecting discrimination and unfair employment practices.

### 6. CHOICE OF LAW.

The laws of the State of Colorado and rules and regulations issued pursuant thereto shall be applied in the interpretation, execution, and enforcement of this contract. Any provision of this contract, whether or not incorporated herein by reference, which provides for arbitration by any extra-judicial body or person or which is otherwise in conflict with said laws, rules, and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision will not invalidate the remainder of this contract to the extent that the contract is capable of execution.

At all times during the performance of this contract, the Contractor shall strictly adhere to all applicable federal and state laws, rules, and regulations that have been or may hereafter be established.

### 7. Software Piracy Prohibition Governor's Executive Order

No State or other public funds payable under this Contract shall be used for the acquisition, operation or maintenance of computer software in violation of United States copyright laws or applicable licensing restrictions. The Contractor hereby certifies that, for the term of this Contract and any extensions, the Contractor has in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that the Contractor is in violation of this paragraph, the State may exercise any remedy available at law or equity or

under this Contract, including, without limitation, immediate termination of the Contract and any remedy consistent with United States copyright laws or applicable licensing restrictions.

**8.EMPLOYEE FINANCIAL INTEREST. CRS 24-18-201 & CRS 24-50-507**

The signatories aver that to their knowledge, no employee of the State of Colorado has any personal or beneficial interest whatsoever in the service or property described herein.

THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

THE BOARD OF COUNTY COMMISSIONERS  
OF THE COUNTY OF MONTEZUMA  
STATE OF COLORADO

At a regular meeting of the Board of County Commissioners of Montezuma County, Colorado, duly convened and held the 13<sup>th</sup> day of December, 2004, with the following persons in attendance:

|                       |  |
|-----------------------|--|
| Commissioners:        | Dewayne Findley, Kent Lindsay, and<br>Glenn E. Wilson, Jr. |
| Commissioners Absent: |  |
| County Administrator: | Thomas J. Weaver   |
| County Attorney:      | Bob Slough   |
| Clerk and Recorder:   | Carol Tullis   |

the following proceedings, among others, were taken:

Resolution # 18-2004

A RESOLUTION TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Commissioners have adopted the annual budget in accordance with Local Government Budget Law on December 13, 2004, and;

WHEREAS, The Commissioners have made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget, and;

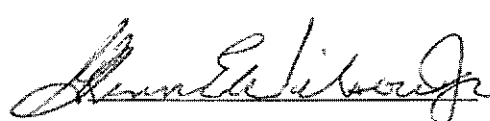
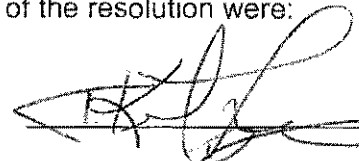

WHEREAS, it is not only required by law, but also necessary to appropriate the revenue provided in the budget to and for the purposed described below so as not to impair the operations of the County.

NOW THEREFORE BE IT RESOLVED by the Commissioners of Montezuma County, Colorado, that the following sums are hereby appropriated from the revenue of each fund, to each fund, for current operating expenses:

FUND OPERATIONS


|                         |              |
|-------------------------|--------------|
| General                 | \$ 8,615,336 |
| Road                    | \$ 3,328,743 |
| Landfill                | \$ 693,889   |
| Social Services         | \$ 7,694,888 |
| Capital Fund            | \$ 500,000   |
| Clara Ormiston Fund     | \$ 1,400     |
| Conservation Trust      | \$ 223,931   |
| Emergency Telephone     | \$ 130,000   |
| Lodgers Tax             | \$ 80,000    |
| Revolving Loan Fund     | \$ 0         |
| Sheriff Forfeiture Fund | \$ 913       |
| Commodities             | \$ 500,000   |
| WIC                     | \$ 500,000   |
| HCBS                    | \$ 500,000   |
| TOTAL                   | \$22,769,100 |

Commissioners voting aye in favor of the resolution were:

Commissioners voting nay against the resolution were:

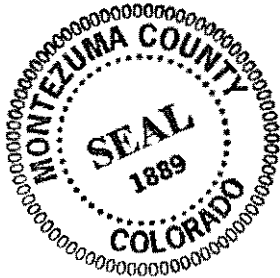
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\_\_\_\_\_  
County Clerk and Recorder  
Montezuma County, Colorado

I certify that the above Resolution is a true and correct copy of same as it appears in the minutes of the Board of County Commissioners of Montezuma County, Colorado and the votes upon same are true and correct.

Dated this \_\_\_\_\_ day of December, 2004.

(SEAL)



  
\_\_\_\_\_  
County Clerk and Recorder  
Montezuma County, Colorado

THE BOARD OF COUNTY COMMISSIONERS  
OF THE COUNTY OF MONTEZUMA  
STATE OF COLORADO

At a regular meeting of the Board of County Commissioners of Montezuma County, Colorado, duly convened and held the 13<sup>th</sup> day of December, 2004, with the following persons in attendance:

|                       |  |
|-----------------------|--|
| Commissioners:        | Dewayne Findley, Kent Lindsay, and<br>Glenn E. Wilson, Jr. |
| Commissioners Absent: |  |
| County Administrator: | Thomas J. Weaver   |
| County Attorney:      | Bob Slough   |
| Clerk and Recorder:   | Carol Tullis   |

the following proceedings, among others, were taken:

Resolution # 17-2004

A RESOLUTION TO SET MILL LEVIES

A RESOLUTION LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2004 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR MONTEZUMA COUNTY, COLORADO, FOR THE 2005 BUDGET.

WHEREAS, the Commissioners of Montezuma County, Colorado, have adopted the annual budget in accordance with the Local Government Budget Law on the 13<sup>th</sup> day of December, 2004, and;

WHEREAS, the 2004 valuation by the Commissioners of Montezuma County as certified by the County Assessor is \$260,551,170;

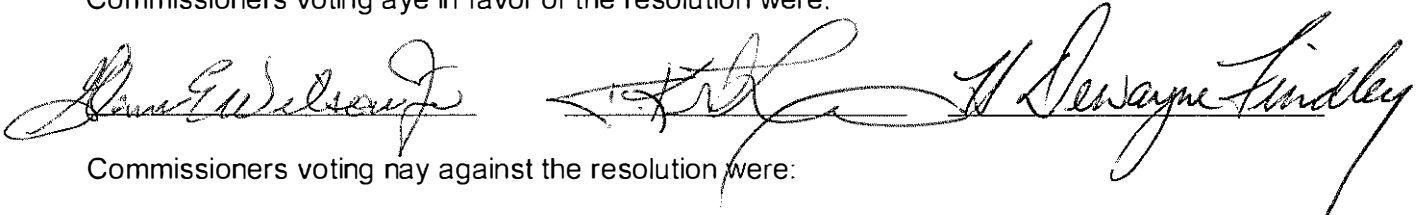
NOW THEREFORE BE IT RESOLVED by the Commissioners of Montezuma County, Colorado, that;

For the purpose of meeting all general operating expenses of Montezuma County during the 2005 budget year, there is hereby levied a tax of mills as stated below upon each dollar of the total valuation of assessment of all taxable property within the County for the year 2004.

SUMMARY OF FUNDS BUDGET 2005

|                        |        |
|------------------------|--------|
| County General         | 10.338 |
| Social Services        | 1.300  |
| Road and Bridge        | 2.616  |
| TOTAL COUNTY MILL LEVY | 14.254 |

Commissioners voting aye in favor of the resolution were:

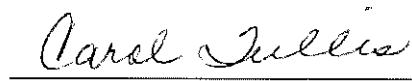


Commissioners voting nay against the resolution were:

\_\_\_\_\_

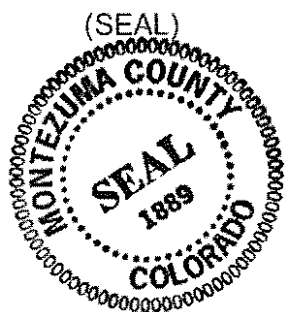
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\_\_\_\_\_

  
\_\_\_\_\_  
County Clerk and Recorder  
Montezuma County, Colorado

I certify that the above Resolution is a true and correct copy of same as it appears in the minutes of the Board of County Commissioners of Montezuma County, Colorado and the votes upon same are true and correct.

Dated this 13<sup>th</sup> day of December, 2004.



*Carol L. Davis*  
County Clerk and Recorder  
Montezuma County, Colorado



THE BOARD OF COUNTY COMMISSIONERS  
OF THE COUNTY OF MONTEZUMA  
STATE OF COLORADO

At a regular meeting of the Board of County Commissioners of Montezuma County, Colorado, duly convened and held the 13<sup>th</sup> day of December, 2004, with the following persons in attendance:

|                       |  |
|-----------------------|--|
| Commissioners:        | Dewayne Findley, Kent Lindsay, and<br>Glenn E. Wilson, Jr. |
| Commissioners Absent: |  |
| County Administrator: | Thomas J. Weaver   |
| County Attorney:      | Bob Slough   |
| Clerk and Recorder:   | Carol Tullis   |

the following proceedings, among others, were taken:

Resolution # 16-2004

A RESOLUTION ADOPTING A BUDGET FOR MONTEZUMA COUNTY, COLORADO FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2005 AND ENDING ON THE LAST DAY OF DECEMBER, 2005.

WHEREAS, the Commissioners of Montezuma County, Colorado, have appointed Thomas J. Weaver to prepare and submit a proposed budget to said governing body, and;

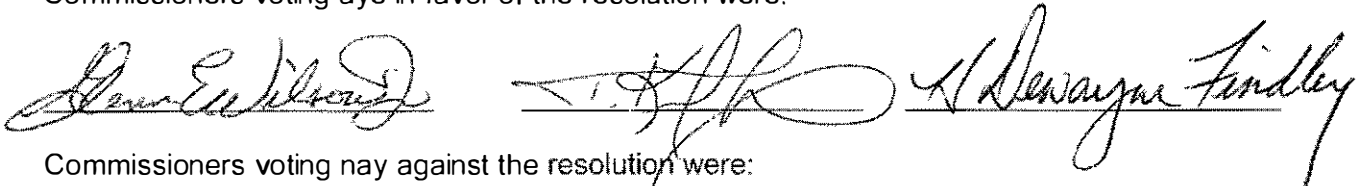
WHEREAS, Mr. Weaver has submitted a proposed budget to this governing body for its consideration, and;

WHEREAS, due to proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 13, 2004, and interested electors were given the opportunity to file or register any objections to said proposed budget, and;

NOW THEREFORE BE IT RESOLVED by the Commissioners of Montezuma County, Colorado, that;

The budget as submitted hereby is approved and adopted as the budget of Montezuma County, Colorado for the year stated above.

Commissioners voting aye in favor of the resolution were:




Commissioners voting nay against the resolution were:

  
County Clerk and Recorder  
Montezuma County, Colorado

I certify that the above Resolution is a true and correct copy of same as it appears in the minutes of the Board of County Commissioners of Montezuma County, Colorado and the votes upon same are true and correct.

Dated this 13<sup>th</sup> day of December, 2004.



  
County Clerk and Recorder  
Montezuma County, Colorado

THE BOARD OF COUNTY COMMISSIONERS  
OF THE COUNTY OF MONTEZUMA  
STATE OF COLORADO

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|                       |  |
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| County Attorney:      | Bob Slough   |
| Clerk and Recorder:   | Carol Tullis   |

the following proceedings, among others, were taken:

Resolution # 15-2004

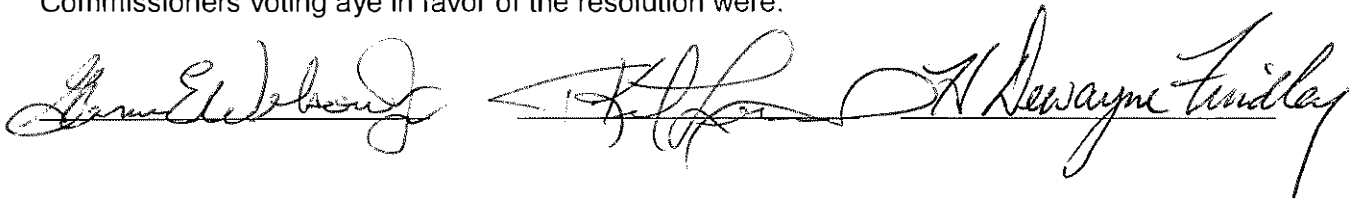
WHEREAS, Montezuma County adopted an operating budget for the General Fund, Road and Bridge Fund and Landfill Fund in December, 2003, for the ensuing year, and;

WHEREAS, Montezuma County after adoption of the 2004 budget, received unanticipated revenues or revenues not assured at the time of the adoption of the budget other than the local government's property tax mill levy;

NOW THEREFORE BE IT RESOLVED that the Board of County Commissioners of Montezuma County, Colorado, the governing board, may authorize the expenditure of such funds by enacting a supplemental budget and appropriation as follows;

|                       |              |
|-----------------------|--------------|
| GENERAL FUND          | \$878,833.00 |
| Commissioners         | 4960.00      |
| Clerk                 | 6,406.00     |
| Community Corrections | 153,185.00   |
| Treasurer             | 600.00       |
| Assessor              | 1,778.00     |
| Jail                  | 53,875.00    |
| Sheriff               | 189,127.00   |
| District Attorney     | 62,148.00    |
| Extension             | 185.00       |
| Planning              | 49,316.00    |
| Health                | 75,751.00    |
| Fairgrounds           | 45,250.00    |
| Grounds & Buildings   | 8,602.00     |
| Administration        | 141,121.00   |
| Misc.                 | 11,117.00    |
| Postage               | 1,575.00     |
| Senior Services       | 36,471.00    |
| Computer              | 33,888.00    |
| Elections             | 3,478.00     |
| ROAD AND BRIDGE FUND  | \$285,091.00 |
| LANDFILL FUND         | \$ 375.00    |
| SOCIAL SERVICES       | \$ 10,700.00 |
| CONSERVATION TRUST    | \$210,000.00 |

Commissioners voting aye in favor of the resolution were:



Commissioners voting nay against the resolution were:

\_\_\_\_\_

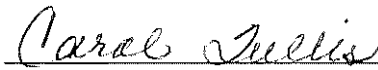


County Clerk and Recorder  
Montezuma County, Colorado

I certify that the above Resolution is a true and correct copy of same as it appears in the minutes of the Board of County Commissioners of Montezuma County, Colorado and the votes upon same are true and correct.

Dated this 13<sup>th</sup> day of December, 2004.





County Clerk and Recorder  
Montezuma County, Colorado

*Resolution # 14-2004*

## CHARACTER RESOLUTION

**WHEREAS**, we desire to build upon our heritage by making our county a place where families are strong, homes and roads are safe, education is effective, business is productive, neighbors care about one another, and citizens are free to make wise choices for their lives and families; and

**WHEREAS**, there is compelling need for individuals to take responsibility for good behavior and to exhibit positive decision-making based on moral standards such as compassion, patience, discretion, loyalty, and generosity; and

**WHEREAS**, there is a need for more positive role models to foster a community where good character is praised and encouraged; and

**WHEREAS**, many current societal problems will be alleviated when the citizens of this county live by positive and constructive character qualities which distinguish between right and wrong; and

**WHEREAS**, teaching positive character qualities has been shown to produce a change in a community; and

**WHEREAS**, encouraging employees by recognizing character qualities will result in an increase in workplace moral, employee safety, customer service, office efficiency and corporate profits; and

**WHEREAS**, if citizens fail to demonstrate positive character qualities and make wrong moral choices, the health, safety and welfare of other citizens are endangered, resulting in a financial burden upon all citizens in the county; and

**WHEREAS**, the emphasis of positive character qualities in every sector of our society can only occur as individuals commit themselves to exemplifying character in their personal lives and inspiring others to do the same; and

**WHEREAS**, the City of Cortez adopted a similar **PROCLAMATION** in the year 2000 and established the City of Cortez as a City of Character.

**THEREFORE, BE IT RESOLVED**, by the Board of County Commissioners for Montezuma County that it pledges its commitment to character and to doing all in its power to become known as a County of Character by encouraging character in schools, business, homes, churches, government, media and community groups, and urges the leaders of each of these entities to do likewise.

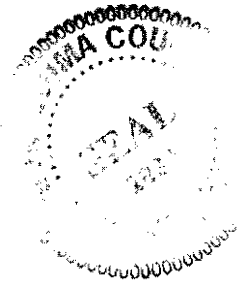
**ADOPTED and APPROVED by THE BOARD OF COUNTY COMMISSIONERS OF MONTEZUMA COUNTY**

By: *Glenn E. Wilson* *11/15/04*

**Glenn E. Wilson**  
**Chair**

**Date**

Attest: *Carol Tullis*  
*Montezuma County Clerk*  
*+ Recorder*



## RESOLUTION NO. 13-2004

### A RESOLUTION AMENDING THE MONTEZUMA COUNTY LAND USE CODE BY PROVIDING A METHOD FOR TRANSFERRING DEVELOPMENT RIGHTS IN THE DOLORES RIVER VALLEY.

**WHEREAS**, the Dolores River Valley is the primary water source for the People in the Town of Dolores, the City of Cortez, and much of the unincorporated areas of Montezuma County, and it is absolutely essential that the quality of the water in the Dolores River be preserved; and

**WHEREAS**, providing a fair and just method for real property owners to transfer development rights protects said property rights and resulting economic benefits while helping to limit the overall density of new development in the Dolores River Valley protects the interests and safety of the public in preserving the quality of water in the Dolores River.

**NOW THEREFORE BE IT RESOLVED** by the Board of County Commissioners of Montezuma County, Colorado, that Resolution No. 17-2003, also known as the Montezuma County Land Use Code, be and is hereby amended by the addition of Chapter 8, page numbers 71, 72, 73, 74 and 75 as follows:

#### CHAPTER 8 TRANSFERABLE DEVELOPMENT RIGHTS (TDRs)

**8101 General Purpose.**

**8101.1 Short Title.** TDR regulations contained in this section may be cited as "Transferable Development Rights" or "TDRs".

**8101.2 Scope.** This Chapter 8 notwithstanding, existing parcels of land legally created shall retain such development rights as provided under the Montezuma County Land Use Code unless such rights are transferred hereunder. TDR regulations apply to the Dolores River Valley, which for purposes of this Land Use Code is a geographical area delineated by the Dolores River Valley Map, Exhibit 1 of the Montezuma County Land Use Code.

**8101.3 Purposes.** This Chapter 8 provides a method for transferring development rights from one parcel of land in the Dolores River Valley to another parcel of land in the Dolores River Valley. The General Purpose of TDRs in the Dolores River Valley is to allow commercial development and/or residential development that exceeds one residential unit per ten acres, provided that the proposed development is approved through the High Impact Permit process and/or the Subdivision process which shall include proof that the required number of TDRs have been acquired, or are under contract to be acquired, by the applicant. The specific purposes of these regulations are:

**A.** To preserve the quality of water in the Dolores River Valley, the primary water source for the People in the Town of Dolores, the City of Cortez, and much of the unincorporated areas of Montezuma County by limiting the overall density of new development in the Dolores River Valley to the equivalent of one residential unit per ten acres.

**B.** To provide a mechanism by which property owners in the Dolores River Valley with a minimum of ten undeveloped acres can voluntarily sever and convey development rights.

C. To provide a mechanism by which commercial or residential development can be undertaken which exceeds the base density of one residential unit per ten acres by purchasing development rights and by utilizing development rights attached to the property proposed for development.

**8102 Regulations for Establishment and Conveyance of Transferable Development Rights.** TDRs are a real property right for property owners within the Dolores River Valley that own ten or more acres of undeveloped land. Such properties constitute the Dolores River Valley TDR Sending Area. TDRs are calculated and may be sold or otherwise transferred as follows:

A. Parcels within the Dolores River Valley on slopes of less than 30 degrees are allocated one TDR per ten acres of land outside of the floodplain, and 1.5 TDRs per ten acres of land within the floodplain. Those portions of parcels on slopes of 30 degrees or more retain development rights in conformance with the Montezuma County Land Use Code, but have no TDR value.

B. The transfer of a TDR shall include all commercial and residential development rights. The number of TDRs allocated to a sending parcel shall be calculated in increments of one-tenth of a TDR on parcels of ten acres or more.

C. The establishment of TDRs shall require a legal survey which addresses the above criteria, and plats specific parcels of land.

D. Property owners are under no requirement to plat TDRs unless they intend to transfer TDRs. TDRs shall be transferred and conveyed by Deed. Said Deed shall be recorded in the Deed Records of the Montezuma County Clerk and Recorder.

E. Once TDRs are severed from a parcel, the parcel is restricted from future commercial or residential development, unless additional TDRs are purchased and landed on the parcel.

**8103 Regulations for Acquiring and Landing TDRs in a Receiving Site.**

Commercial Development within the Dolores River Valley or Residential Development that exceeds one unit per 10 acres will require the purchase and landing of TDRs in conformance with the following:

A. The number of TDRs required for new development exceeding one residential unit per 10 acres shall be in accordance with the Dolores River Valley TDR Chart, attached hereto and made a part hereof. The TDR requirement for types of development not listed on the TDR Chart shall be determined by applying the same standards for effluent volume and strength utilized in developing the TDR Chart.

B. The landing of TDRs shall require the establishment of a TDR Receiving Site.

C. Receiving Sites can only be designated within the Dolores River Valley as delineated by the Dolores River Valley Map.

E. Receiving Sites shall be designated as part of the High Impact Permit process and/or the Subdivision Review process. Receiving Site approval is contingent on meeting other High Impact Permit and Subdivision Regulation Requirements.

F. The minimum Receiving Site for Condominium and Residential Development shall be 10 acres as to any tract created after the date of this amendment. There is no minimum parcel size for landing TDRs required for commercial development on a Receiving Site, provided the development meets the requirements of the High Impact Permit review and approval process. Proposed development, in which the impacts established in the review process can not be adequately mitigated, shall be denied.

G. For Residential and Condominium Development outside of the floodplain, one TDR is required for each unit that exceeds a density of one unit per 10 acres.

H. TDRs transferred into the floodplain shall require the floodplain ratio of 1.5 TDRs per unit of development. New residential development that does not require TDRs may be developed at a density of up to one unit per 10 acres in compliance with the Subdivision Regulations in this Code. All development within the floodplain shall require a Floodplain Development Plan Permit.

I. The minimum parcel size for residential development shall be three acres provided that TDRs are purchased and landed for each unit that exceeds the one unit per 10 acre density.

J. TDRs are landed by attaching a copy of the TDR Deed to the High Impact Permit or Subdivision Plat approving the proposed development, and Recording the same in the Deed Records of the Montezuma County Clerk and Recorder.

K. TDRs may be transferred within a tract subject to the requirements in this Chapter 8.

**8104 Other TDR Regulations include the following:**

A. The use of a Development Right in a development shall make said Development Right non-transferable unless and until said development ceases to exist and the property has been reclaimed to its predevelopment condition.

B. Severed TDRs may float until such time as the owner wishes to land them through the High Impact Permit and/or Subdivision Process.

C. TDR Regulations shall be the controlling mechanism for exceeding densities of one residential unit per 10 acres in the Dolores River Valley outside of the Town of Dolores. TDR regulations can not be circumvented by Urban Services Zoning or the availability of centralized sewer.

C. Within the Dolores River Valley any Accessory Residential Unit including guest and caretaker units shall meet the TDR requirements in this Chapter 8 for a Residential Unit.




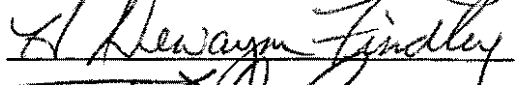

### DOLORES RIVER VALLEY TDR CHART

| Type of Establishment  | Per Unit Effluent Only | Unit                       | Number of Units per TDR |
|--|------------------------|----------------------------|-------------------------|
| <b><u>Residential</u></b>  |                        |                            |                         |
| Single-Family House  | 1                      | 1 Home                     | 1                       |
| Apartment Complex  | 0.91                   | 1 Apartment                | 1                       |
| Mobile Home Parks  | 1                      | 1 Space                    | 1                       |
| <b><u>Resorts, Hotels, Motels</u></b>  |                        |                            |                         |
| Luxury Resort with restaurants   | 0.52                   | 1 Room                     | 2                       |
| Hotels and Motels  | 0.33                   | 1 Room                     | 3                       |
| <b><u>Recreational and Seasonal</u></b>                                      |                        |                            |                         |
| Travel Trailer Parks   | 0.26                   | Space                      | 4                       |
| <b><u>Institutional</u></b>  |                        |                            |                         |
| Churches   | 0.04                   | Seat                       | 105                     |
| <b><u>Commercial</u></b>   |                        |                            |                         |
| 18-Hole Golf Course (200 operational days; excluding shop, restaurant, etc.) |                        | Operational days/year      | 25                      |
| Restaurant   | 0.13                   | Seat                       | 8                       |
| Cocktail Bar   | 0.04                   | Seat                       | 26                      |
| Retail Store   |                        | 1,500 square feet          | 1                       |
| Service Station  |                        | 4 toilets, 750 square feet | 1                       |

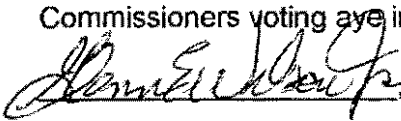
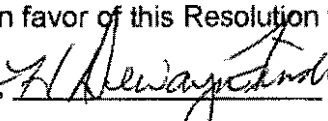
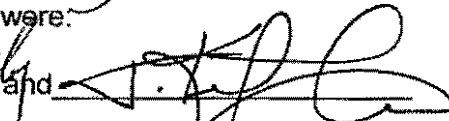
NOW THEREFORE BE IT RESOLVED that this Resolution is hereby adopted and said Montezuma County Land Use Code is so amended.

Adopted this 11th day of October, 2004 at 10:15 o'clock a.m.

Board of County Commissioners  
of Montezuma County, Colorado

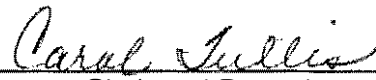
  
  


Commissioners voting aye in favor of this Resolution were:

  and 

Commissioners voting no against this Resolution were:

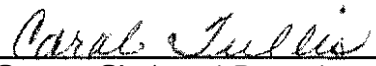
\_\_\_\_\_ and \_\_\_\_\_

  
County Clerk and Recorder  
Montezuma County, Colorado

I certify that the above and foregoing Resolution is a true and correct copy of same as it appears in the minutes of the Board of County Commissioners for Montezuma County, Colorado, and the votes upon same are true and correct.

Dated this 11th day of October, 2004.



  
County Clerk and Recorder  
Montezuma County, Colorado

RESOLUTION NO. 12-2004

A RESOLUTION SUSPENDING THE BAN ON OPEN FIRES

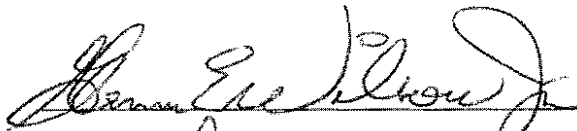
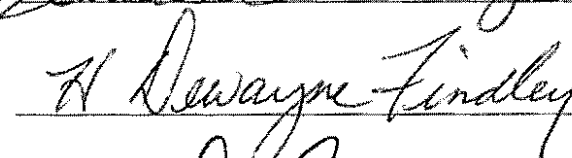

WHEREAS, Montezuma County Ordinance No. 1-96 prohibits open fires in the unincorporated areas of Montezuma County, except as the Board of County Commissioners of Montezuma County based upon competent evidence may by resolution suspend said ban on open fires from time to time to the degree and manner consistent with existing wildfire dangers; and

WHEREAS, competent evidence having been presented of sufficient rainfall throughout Montezuma County temporarily reducing existing wildfire dangers to more normal conditions;

NOW THEREFORE BE IT RESOLVED by the Board of County Commissioners of Montezuma County that said ban on open fires should be and is hereby suspended. Said suspension shall continue in effect until canceled pursuant to Montezuma County Ordinance No. 1-96.

This Resolution is adopted this 15<sup>th</sup> day of September, 2004, at 11:30 o'clock A.m.,

BOARD OF COUNTY COMMISSIONERS  
OF MONTEZUMA COUNTY, COLORADO

Commissioners voting aye in favor of this Resolution were:

Glenn E. Wilson Jr., H. Dewayne Findley  
and J. Kent Lindley.

Commissioners voting no against this Resolution were:

\_\_\_\_\_  
and \_\_\_\_\_.

RESOLUTION NO. 77-2004

A RESOLUTION TO ESTABLISH A REGIONAL  
LIBRARY AUTHORITY FOR THE CORTEZ PUBLIC  
LIBRARY AND REFERRING TO ELECTION ON  
NOVEMBER 2, 2004, A BALLOT QUESTION FOR AN  
AD VALOREM TAX TO FUND SAID AUTHORITY.

WHEREAS, pursuant to 24-90-110.7, C.R.S., the City of Cortez has requested that Montezuma County contract with said City of Cortez for the purpose of establishing a separate governmental entity to be known as a Regional Library Authority for the Cortez Public Library; and

WHEREAS, the City of Cortez has requested that the legal service area for said Library Authority be the area within the boundaries of the RE-1 Montezuma-Cortez School District as said boundaries exist this date; and

WHEREAS, for the purpose of funding said Regional Library Authority the City of Cortez has referred a Ballot Question for an ad valorem tax in the amount of 1.75 mills to an election to be held on November 2, 2004, as set forth in Exhibit 1 attached hereto.

NOW THEREFORE BE IT RESOLVED by the Board of County Commissioners of Montezuma County as follows:

1. That pursuant to 24-90-110.7, C.R.S, Montezuma County hereby agrees to form a separate governmental entity to be known as a Regional Library Authority for the Cortez Public Library contingent upon the following:
  - (a) Voter approval of an ad valorem tax in the amount of 1.75 mills, as set forth by the Ballot Question in Exhibit 1 attached hereto and made a part hereof, for the purpose of funding said Authority; and
  - (b) The subsequent execution of a contract by the City of Cortez and Montezuma County establishing said Regional Library Authority.
2. That the legal service area for said Regional Library Authority shall be the area within the legal boundaries of the RE-1 Montezuma-Cortez School District as said boundaries exist this date.

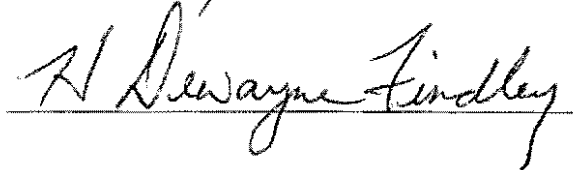
3. That said Regional Library Authority shall be governed by a board of directors to be appointed by the City of Cortez and Montezuma County in the manner to be set forth in the contract between said City and County.
4. That pursuant to 24-90-110.7(1)(d)(III), C.R.S., "the registered electors residing within the territorial boundaries of such contracting member governmental units shall approve any amount of sales or use tax, or both, in accordance with the requirements of paragraph (f) of subsection (3) of this section or an ad valorem tax in accordance with the requirements of paragraph (h) of subsection (3) of this section not previously approved by the electors before the authority shall levy such taxes."
5. That the Montezuma County Clerk and Recorder as the "designated election official" shall submit the Ballot Question as set forth in Exhibit 1 to the eligible electors at an election to be held on Tuesday, November 2, 2004.
6. That said election shall be conducted as a coordinated election in Montezuma County in accordance with articles 1 to 13 of title 1, C.R.S. For purposes of 1-11-203.5, C.R.S., this Resolution shall serve to set the ballot title and the ballot question for the question set forth in Exhibit 1, and the ballot title for such question shall be the text of the question itself.

A.m. THIS RESOLUTION is adopted this 13<sup>th</sup> day of September, 2004, at 9:25 o'clock

BOARD OF COUNTY COMMISSIONERS  
OF MONTEZUMA COUNTY, COLORADO

  
\_\_\_\_\_

  
\_\_\_\_\_

  
\_\_\_\_\_

Commissioners voting aye in favor of the Resolution were: Glenne E. Wilson, Jr.  
J. Kent Lindsay and A. Newbyne Findley.

Commissioners voting no against the Resolution were: \_\_\_\_\_,  
\_\_\_\_\_ and \_\_\_\_\_.

Carol Sullivan  
County Clerk and Recorder  
Montezuma County, Colorado

I certify that the above Resolution is a true and correct copy of same as it appears in the minutes of the Board of County Commissioners of Montezuma County, Colorado, and the votes upon same are true and correct.

Dated this 13<sup>th</sup> day of September, 2004.



Carol Sullivan  
County Clerk and Recorder  
Montezuma County, Colorado

# CORTEZ PUBLIC LIBRARY REGIONAL LIBRARY AUTHORITY

To: All Registered Voters  
NOTICE OF ELECTION TO INCREASE TAXES  
ON A REFERRED MEASURE

Election Date: November 2, 2004

Election Hours: 7:00 a.m. to 7:00 p.m.

Local Election Office and Telephone Number: Montezuma County Clerk and Recorder, Courthouse, 109 W. Main St., Cortez, CO 81321, (970) 565-3728

## Ballot Title and Text of Referendum 6A

SHALL TAXES BE INCREASED BY THE IMPOSITION OF 1.75 MILLS, \$324,000 MORE OR LESS ANNUALLY, FOR A REGIONAL LIBRARY AUTHORITY FOR THE CORTEZ PUBLIC LIBRARY. SAID LIBRARY AUTHORITY SHALL ENCOMPASS THE SAME AREA AND SHALL BE SUBMITTED TO THE REGISTERED ELECTORS IN THE AREA OF SCHOOL DISTRICT RE-1. SAID MILL LEVY TO BE COLLECTED IN 2006 FOR THE YEAR 2005 AND EACH YEAR THEREAFTER AND SHALL SUCH REVENUE AND INVESTMENT INCOME THEREON BE COLLECTED, RETAINED, AND SPENT THROUGH OPERATION OF THE LIBRARY AUTHORITY FOR THE PURPOSE OF NEW BOOKS, FOR THE INCREASE OF CHILDREN'S ACTIVITIES AT THE CORTEZ LIBRARY, FOR PURCHASE OF ADDITIONAL COMPUTERS FOR PUBLIC USE AT THE CORTEZ LIBRARY, EXPANDED LIBRARY HOURS AND OTHER LIBRARY SERVICES. AS A VOTER APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE RAISING, OR OTHER LIMITATIONS, INCLUDING TAX CUTS, SPECIFIED IN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION AND WITHOUT REGARD TO THE TAX REVENUE LIMITATIONS CONTAINED WITHIN SECTION 29-1-301, ET SEQ., COLORADO REVISED STATUTES?

### Total District Fiscal Year Spending:

#### Fiscal Year

|      |                |   |
|------|----------------|---|
| 2004 | Not applicable | District Estimate of the Maximum Dollar Amount of Proposed Tax Increase for 2005: |
| 2003 | Not applicable | \$324,000.  |
| 2002 | Not applicable | Overall percentage change from 1996 to 2000: Not applicable                       |
| 2001 | Not applicable | Overall dollar change from 1996 to 2000: Not applicable                           |
| 2000 | Not applicable | District Estimate of 2004 Fiscal Year Spending Without Proposed Tax Increase: \$0 |

The following is a summary of comments filed in favor of, or opposed to, the ballot issue.

While I believe it would be good for the Cortez Public Library to be able to increase their hours, provide more computers, buy new books and improve their programs for children, I am against raising property taxes. Presently, like many people in our area, I am unemployed and I feel I cannot afford more taxes. It is not fair to use the entire county patronage figures to claim the library is under funded. The district that is proposed will only include the Re-1 school district even though 16,000 patrons come from throughout the entire county. Residents of the Ute Mountain Reservation will be allowed to vote on the measure but will not be subject to the mill levy increase. Much of the sales tax which is collected by the City is from non-Cortez residents. The City has the money to better fund the library but gives away over \$60,000 each year. The City is budgeting \$500,000 annually to build a new City Hall which could be spent on the library. Taxpayer money should not be generated by gambling in investments. The claimed purpose for this ballot question is to raise \$390,000 annually to provide additional funding for books, programs, computers, staff, and lower the overdue book fines. Then Cortez Public Library will be claimed a Regional Library governed by a Regional Library Authority, appointed by City Council and Montezuma County Commissioners. It appears the excess funds collected, could be directed to other 'pet projects' that may be deemed in need such as the Cortez Recreation Center. The Cortez Public Library has become more of a second hand bookstore than a research library. It appears the Cortez Library claims to need more books yet, the sales shelf at the entrance is kept stocked full and ride it's shelves of research books and other interesting books that reflect the history of the area and other relevant issues. The Montezuma County Commissioners and City of Cortez City Council find it more important to use tax money to fund memberships to nonprofit organizations, associations and feasibility studies instead of taking care of the Cortez Library essential needs. Fines and penalties need to increase in order to discourage irresponsible borrowers. Say No to Library Ballot Question.

This ballot question will raise money for additional books, programs, computers and staff and will lower book fines. The funds collected cannot be used for any other 'pet project' such as the Cortez Recreational Center. No money will be used for anything but the Library. This money would mean more money for research books. People donate books to the Library to be sold so that new books can be purchased. The Cortez Public Library's operating budget currently ranks 94<sup>th</sup> out of 118 in public library operating budgets in the state. Next year the library will have no money for new books. The public has repeatedly asked the library for more books, more computer services and more children's programs. The cost of approximately \$13.93 per \$100,000 of assessed valuation of residential property is well worth the investment in our community. It is important that the Cortez Public Library provide the same opportunities to people in our area as the people in other parts of Colorado receive, and that our children have access to the tools and information they need to prepare themselves for their lives ahead. Vote Yes to the Library question in order to improve our Library, which is used by City and County residents.

Exhibit 1

RESOLUTION NO. 10-2004

**Shall The Term Limits Imposed By State Law On The Montezuma County Assessor, Montezuma County Clerk And Recorder, And Montezuma County Treasurer Be Eliminated So That Each May Serve Without Limitation As To Number Of Terms For So Long As The Voters Of Montezuma County May Elect Such Official To His Or Her Respective Office?**

**WHEREAS**, Article 18, Section 11(1), Colorado Constitution, imposes limitations on terms of office;

**AND WHEREAS**, Article 18, Section 11(2), Colorado Constitution, provides that the voters may eliminate such limitations;

**NOW THEREFORE BE IT RESOLVED** by the Board of County Commissioners of Montezuma County that the following proposal is hereby referred to the registered electors of Montezuma County:

1. Shall the term limits imposed by state law on the Montezuma County Assessor, Montezuma County Clerk and Recorder, and Montezuma County Treasurer be eliminated so that each may serve without limitation as to number of terms for so long as the voters of Montezuma County may elect such official to his or her respective office?

2. This proposal shall be submitted at the next regular general election to be held on November 2, 2004, under the following ballot title:

**Shall The Term Limits Imposed By State Law On The Montezuma County Assessor, Montezuma County Clerk And Recorder, And Montezuma County Treasurer Be Eliminated So That Each May Serve Without Limitation As To Number Of Terms For So Long As The Voters Of Montezuma County May Elect Such Official To His Or Her Respective Office?**




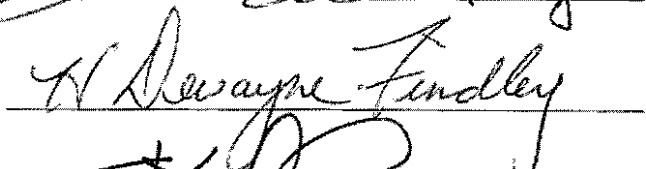
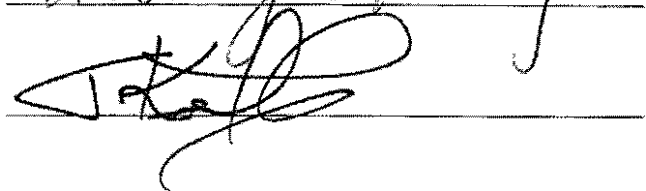
3. The election shall be conducted as a coordinated election in Montezuma County in accordance with articles 1 to 13 of title 1, C.R.S. For purposes of C.R.S. § 1-11-203.5, this Resolution shall serve to set the ballot title and the ballot question for the question set forth herein and the ballot title for such question shall be the text of the question itself.

4. Upon approval by a majority of the registered electors voting thereon at said election this proposal shall be effective.

5. The Montezuma County Clerk and Recorder shall publish the text of this proposal as provided by law, and the Montezuma County Clerk and Recorder shall be the "designated election official" responsible for the running of said election.

This Resolution is adopted this 28<sup>th</sup> day of June, 2004, at 10:37 o'clock A.m.

BOARD OF COUNTY COMMISSIONERS  
OF MONTEZUMA COUNTY

Commissioners voting aye in favor of this Resolution were:

*Alan Erickson*, J. KENT LINDSAY and  
H. D. ELCHAYNE FINDLEY.

Commissioners voting no against this Resolution were:

\_\_\_\_\_, \_\_\_\_\_ and  
\_\_\_\_\_.



*Carol Willis*

County Clerk and Recorder  
Montezuma County

RESOLUTION NO. 9-2004

**Shall The Term Limits Imposed By State Law On The Montezuma County Coroner Be Eliminated So That Said Official May Serve Without Limitation As To Number Of Terms For So Long As The Voters Of Montezuma County May Elect Such Official To The Office Of Montezuma County Coroner?**

**WHEREAS**, Article 18, Section 11(1), Colorado Constitution, imposes limitations on terms of office;

**AND WHEREAS**, Article 18, Section 11(2), Colorado Constitution, provides that the voters may eliminate such limitations;

**NOW THEREFORE BE IT RESOLVED** by the Board of County Commissioners of Montezuma County that the following proposal is hereby referred to the registered electors of Montezuma County:

1. Shall the term limits imposed by state law on the Montezuma County Coroner be eliminated so that said official may serve without limitation as to number of terms for so long as the voters of Montezuma County may elect such official to the office of Montezuma County Coroner?

2. This proposal shall be submitted at the next regular general election to be held on November 2, 2004, under the following ballot title:

**Shall The Term Limits Imposed By State Law On The Montezuma County Coroner Be Eliminated So That Said Official May Serve Without Limitation As To Number Of Terms For So Long As The Voters Of Montezuma County May Elect Such Official To The Office Of Montezuma County Coroner?**


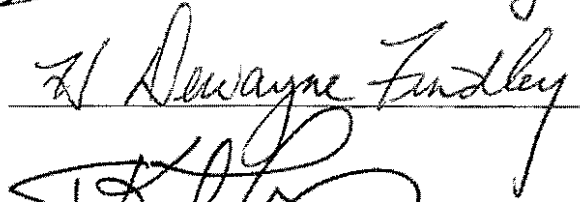
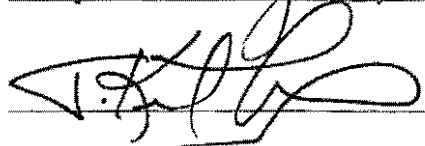
3. The election shall be conducted as a coordinated election in Montezuma County in accordance with articles 1 to 13 of title 1, C.R.S. For purposes of C.R.S. § 1-11-203.5, this Resolution shall serve to set the ballot title and the ballot question for the question set forth herein and the ballot title for such question shall be the text of the question itself.

4. Upon approval by a majority of the registered electors voting thereon at said election this proposal shall be effective.

5. The Montezuma County Clerk and Recorder shall publish the text of this proposal as provided by law, and the Montezuma County Clerk and Recorder shall be the "designated election official" responsible for the running of said election.

This Resolution is adopted this 28<sup>th</sup> day of June, 2004, at 10:36 o'clock A.m.

**BOARD OF COUNTY COMMISSIONERS  
OF MONTEZUMA COUNTY**

Commissioners voting aye in favor of this Resolution were:

*[Signature]* *[Signature]* and  
H. DEWAYNE FINDLEY

Commissioners voting no against this Resolution were:

\_\_\_\_\_, \_\_\_\_\_ and  
\_\_\_\_\_.



*Carol Willis*  
County Clerk and Recorder  
Montezuma County

RESOLUTION NO. 8-2004

**Shall The Term Limits Imposed By State Law On The Montezuma County Sheriff Be Eliminated So That Said Official May Serve Without Limitation As To Number Of Terms For So Long As The Voters Of Montezuma County May Elect Such Official To The Office Of Montezuma County Sheriff?**

**WHEREAS**, Article 18, Section 11(1), Colorado Constitution, imposes limitations on terms of office;

**AND WHEREAS**, Article 18, Section 11(2), Colorado Constitution, provides that the voters may eliminate such limitations;

**NOW THEREFORE BE IT RESOLVED** by the Board of County Commissioners of Montezuma County that the following proposal is hereby referred to the registered electors of Montezuma County:

1. Shall the term limits imposed by state law on the Montezuma County Sheriff be eliminated so that said official may serve without limitation as to number of terms for so long as the voters of Montezuma County may elect such official to the office of Montezuma County Sheriff?

2. This proposal shall be submitted at the next regular general election to be held on November 2, 2004, under the following ballot title:

**Shall The Term Limits Imposed By State Law On The Montezuma County Sheriff Be Eliminated So That Said Official May Serve Without Limitation As To Number Of Terms For So Long As The Voters Of Montezuma County May Elect Such Official To The Office Of Montezuma County Sheriff?**

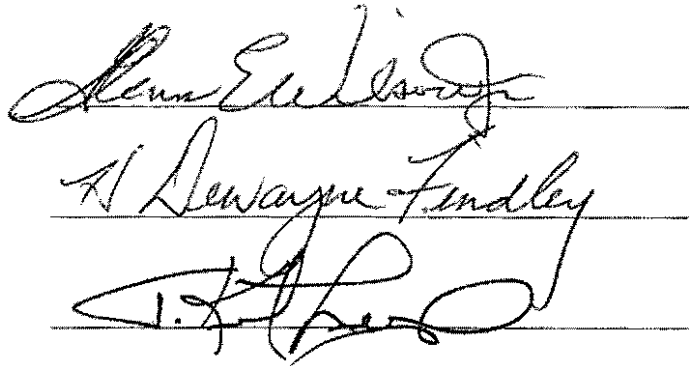
3. The election shall be conducted as a coordinated election in Montezuma County in accordance with articles 1 to 13 of title 1, C.R.S. For purposes of C.R.S. § 1-11-203.5, this Resolution shall serve to set the ballot title and the ballot question for the question set forth herein and the ballot title for such question shall be the text of the question itself.

4. Upon approval by a majority of the registered electors voting thereon at said election this proposal shall be effective.

5. The Montezuma County Clerk and Recorder shall publish the text of this proposal as provided by law, and the Montezuma County Clerk and Recorder shall be the "designated election official" responsible for the running of said election.

This Resolution is adopted this 28<sup>th</sup> day of June, 2004, at 10:35 A.M. o'clock A.m.

BOARD OF COUNTY COMMISSIONERS  
OF MONTEZUMA COUNTY



The image shows three handwritten signatures, each on a horizontal line. The first signature is 'Lynn E. Lingo', the second is 'H. Wayne Findley', and the third is 'J. J. [unclear]'. The signatures are written in dark ink and are cursive in style.

Commissioners voting aye in favor of this Resolution were:

GLENN E. WILSON, JR., H. DEWAYNE FINDLEY and  
J. KENT LINDSAY.

Commissioners voting no against this Resolution were:

\_\_\_\_\_, \_\_\_\_\_ and  
\_\_\_\_\_.



Carol Sullivan  
County Clerk and Recorder  
Montezuma County



RESOLUTION NO. 7 - 2004

A RESOLUTION OF MONTEZUMA COUNTY IMPOSING A COUNTY-WIDE SALES AND USE TAX FOR THE SOLE PURPOSE OF FUNDING THE CONSTRUCTION, MAINTENANCE, REPAIR AND IMPROVEMENT OF COUNTY ROADS AND BRIDGES, INCLUDING ALL NECESSARY OR INCIDENTAL COSTS RELATED THERETO; SETTING THE BALLOT TITLE AND BALLOT QUESTION, REFERRING THIS RESOLUTION AT AN ELECTION TO BE HELD NOVEMBER 2, 2004, PROVIDING THE EFFECTIVE DATE OF THIS RESOLUTION, AND SETTING FORTH OTHER DETAILS IN RELATION THERETO.

WHEREAS, the Board of County Commissioners (the "Board") of the County of Montezuma (the "County"), State of Colorado, desires to establish a secure funding source for the construction, maintenance, repair and improvement of county roads and bridges, including all necessary or incidental costs related thereto; and

WHEREAS, pursuant to part 1 of article 2 of title 29 of the Colorado Revised Statutes, Montezuma County, Colorado (the "County"), is authorized to levy a county sales tax and use tax; and

WHEREAS, the Board has formulated a plan to fund the construction, maintenance, repair and improvement of county roads and bridges, including all necessary or incidental costs related thereto, from a county sales tax and use tax; and

WHEREAS, no proposal for a county sales tax and use tax shall become effective until approved by a majority of the registered electors of the county voting on such proposal pursuant to section 29-2-104, C.R.S.; and

WHEREAS, the Board has determined to set the ballot title and ballot question for the question to be submitted at the election called by this Resolution.

NOW THEREFORE BE IT RESOLVED by the Board of County Commissioners of Montezuma County, Colorado, that the following proposal for a county-wide sales tax and use tax is hereby referred to the registered electors of Montezuma County.

1. The amount of tax shall be fifty-five one hundredths (0.55%) of one percent and all revenue received by Montezuma County from said tax shall be deposited into the "Montezuma County Road and Bridge Fund", and expended solely for the purpose of construction, maintenance, repair and improvement of county roads and bridges, including all necessary or incidental costs related thereto.

2. Description of the sales tax.

- (a) Approval by the registered electors shall impose a sales tax as provided by law in the amount of fifty-five one hundredths (0.55%) of one percent on the sale of tangible personal property at retail and the furnishing of services in Montezuma County, as provided in paragraph (d) of this subsection.
- (b) For the purpose of this sales tax proposal, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to a destination outside the limits of Montezuma County or to a common carrier for delivery to a destination outside the limits of Montezuma County. The gross receipts from such sales shall include delivery charges when such charges are subject to the State sales and use tax imposed by article 26 of title 39, C.R.S., regardless of the place to which delivery is made. If a retailer has no permanent place of business in Montezuma County, or has more than one place of business, the place at which the retail sale is consummated for the purpose of a sales tax imposed hereby shall be determined by the provisions of article 26 of title 39, C.R.S., and by rules and regulations promulgated by the department of revenue.
- (c) The amount subject to tax shall not include the amount of any sales or use tax imposed by article 26 of title 39, C.R.S.
- (d) The tangible personal property and services taxable pursuant hereto shall be the same as the tangible personal property and services taxable pursuant to section 39-26-104, C.R.S., and subject to the same exemptions as those specified in section 39-26-114, C.R.S., except section 39-26-114(18), C.R.S. Sales of food, as defined in section 39-26-102(4.5), C.R.S., shall be exempt. Purchases of machinery or machine tools as provided in section 39-26-114(11), C.R.S., shall be exempt. Sales and purchases of farm equipment or farm equipment under lease or contract as provided in section 39-26-114(20), C.R.S., shall be exempt. Pesticides that are registered by the State Commissioner of Agriculture for use in the production of agriculture and livestock products pursuant to the provisions of the "Pesticide Act", article 9 of title 35, C.R.S., and offered for sale by dealers licensed to sell such pesticides pursuant to section 35-9-115, C.R.S., as provided in section 39-26-114(23), C.R.S., shall be exempt. And the sales and purchases of those items in section 39-26-114(1)(a)(XXI), C.R.S., shall be exempt, said items being electricity, coal, wood, gas, fuel oil, and coke sold, but not for resale, to occupants of residences, whether owned, leased, or rented by said occupants, for the purpose of operating residential fixtures and appliances which provide light, heat, and power for such residences. "Gas" includes natural, manufactured, and liquefied petroleum gas.

- (e) All sales of personal property on which a specific ownership tax has been paid or is payable shall be exempt from said sales tax when such sales meet both the following conditions:

- (I) The purchaser is a nonresident of or has his principal place of business outside of Montezuma County; and

- (II) Such personal property is registered or required to be registered outside the limits of Montezuma County under the laws of this State.

- (f) The existing tax rate in Cortez is 7.40%, and in Mancos is 7.35%, and in Dolores is 6.85%. Approval of the tax proposed in this Resolution shall cause the limitation of 29-2-108(1), C.R.S., to be exceeded by an additional 0.55% rate in Cortez and Mancos, and by 0.40% rate in Dolores.
- (g) That a vendor's fee for the collection of said sales tax shall be allowed pursuant to 39-26-105, C.R.S.

### 3. Description of the use tax

Approval by the registered electors shall impose a use tax as provided by law in the amount of fifty-five one hundredths (0.55%) of one percent on the storing, using or consuming in Montezuma County any motor and other vehicles purchased at retail outside Montezuma County on which registration is required.

- (a) Said use tax shall **not** apply to the storage, use, or consumption of any tangible personal property the sale of which is subject to a retail sales tax imposed by Montezuma County.
- (b) Said use tax shall **not** apply to the storage, use, or consumption of any tangible personal property purchased for resale in Montezuma County, either in its original form or as an ingredient of a manufactured or compounded product, in the regular course of business.
- (c) Said use tax shall **not** apply to the storage, use, or consumption of tangible personal property brought into Montezuma County by a nonresident thereof for his own storage, use, or consumption while temporarily within Montezuma County; however, this exemption does not apply to the storage, use, or consumption of tangible personal property brought into this State by a nonresident to be used in the conduct of a business in this State.
- (d) Said use tax shall **not** apply to the storage, use, or consumption of tangible personal property by the United States government, or the State of Colorado, or its institutions, or its political subdivisions in their governmental capacities only or by

religious or charitable corporations in the conduct of their regular religious or charitable functions.

- (e) Said use tax shall **not** apply to the storage, use, or consumption of tangible personal property by a person engaged in the business of manufacturing or compounding for sale, profit, or use any article, substance, or commodity, which tangible personal property enters into the processing of or becomes an ingredient or component part of the product or service which is manufactured, compounded or furnished and the container, label, or the furnished shipping case thereof.
- (f) Said use tax shall **not** apply to the storage, use, or consumption of any article of tangible personal property the sale or use of which has already been subjected to a legally imposed sales or use tax of another county equal to or in excess of that imposed hereby. A credit shall be granted against the use tax imposed hereby with respect to a person's storage, use, or consumption in the subsequent county of tangible personal property purchased by him in a previous county. The amount of the credit shall be equal to the tax paid by him by reason of the imposition of a sales or use tax of the previous county on his purchase or use of the property. The amount of the credit shall not exceed the tax imposed hereby.
- (g) Said use tax shall **not** apply to the storage, use, or consumption of tangible personal property and household effects acquired outside Montezuma County and brought into it by a nonresident acquiring residency.
- (h) Said use tax shall **not** apply to the storage or use of a motor vehicle if the owner is or was, at the time of purchase, a nonresident of Montezuma County and he purchased the vehicle outside of Montezuma County for use outside the county and actually so used it for a substantial and primary purpose for which it was acquired and he registered, titled, and licensed said motor vehicle outside Montezuma County.
- (i) Said use tax shall **not** apply to the storage, use, or consumption of any construction and building materials and motor and other vehicles on which registration is required if a written contract for the purchase thereof was entered into prior to the effective date of such use tax.
- (j) Said use tax shall **not** apply to the storage, use, or consumption of any construction and building materials required or made necessary in the performance of any construction contract bid, let, or entered into at any time prior to the effective date of such use tax.
- (k) That the Montezuma County Clerk and Recorder shall collect said use tax for Montezuma County and that no registration shall be made of any motor or other vehicle for which registration is required, and no certificate of title shall be issued for such vehicle by the Department of Revenue or its authorized agents until any

tax due upon the use, storage, or consumption thereof pursuant to this Resolution has been paid. Said Montezuma County Clerk and Recorder may enter into agreements with the Colorado Department of Revenue for the collection of said tax.

4. That the revenue and spending limits of Art. 10, Section 20, Colorado Constitution, or any other law shall not apply to or limit said sales and use tax and revenue therefrom or expenditure thereof and said revenue and expenditures shall not be included in any revenue and spending limitation and shall be collected and spent without limitation or condition except as herein provided.

5. An election shall be held on Tuesday, November 2, 2004, at which there shall be submitted to the eligible electors of the County a question authorizing a tax increase (the "Ballot Question"), which question shall be in substantially the form set forth hereafter.

**SHALL MONTEZUMA COUNTY SALES AND USE TAXES BE INCREASED IN THE AMOUNT OF FIFTY-FIVE ONE HUNDREDTHS (0.55%) OF ONE PERCENT, WHICH REPRESENTS 55 CENTS ON EACH ONE HUNDRED (\$100.00) DOLLAR PURCHASE, BEGINNING JANUARY 1, 2005, WHICH IS ESTIMATED TO GENERATE THE FIRST FULL FISCAL YEAR MAXIMUM INCREASE OF REVENUE IN THE AMOUNT OF \$1,244,000, MORE OR LESS, AND ANNUALLY THEREAFTER, TO BE EXPENDED FOR THE SOLE PURPOSE OF FUNDING THE CONSTRUCTION, MAINTENANCE, REPAIR AND IMPROVEMENT OF COUNTY ROADS AND BRIDGES, INCLUDING ALL NECESSARY OR INCIDENTAL COSTS RELATED THERETO; AND SHALL RESOLUTION NO. 7-2004 OF THE COUNTY PROVIDING FOR THE IMPOSITION OF THE SALES AND USE TAX BE APPROVED, AND SHALL ALL TAX REVENUES GENERATED FROM THE SALES AND USE TAX AUTHORIZED HEREIN AND ANY INTEREST EARNED THEREON CONSTITUTE A VOTER-APPROVED REVENUE CHANGE, AND AN EXCEPTION TO THE REVENUE AND SPENDING LIMITS OF ARTICLE 10, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW?**

6. The election shall be conducted as a coordinated election in Montezuma County in accordance with articles 1 to 13 of title 1, C.R.S. For purposes of C.R.S. § 1-11-203.5, this Resolution shall serve to set the ballot title and the ballot question for the question set forth herein and the ballot title for such question shall be the text of the question itself.

7. Should any one or more sections or provisions of this Resolution be judicially determined invalid or unenforceable, such determination shall not affect, impair, or invalidate the remaining provisions hereof, the intention being that the various provisions hereof are severable.


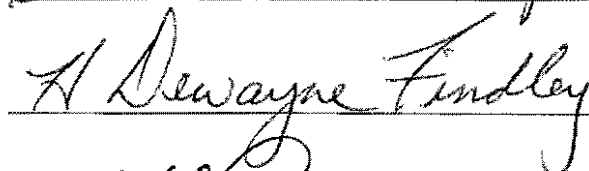
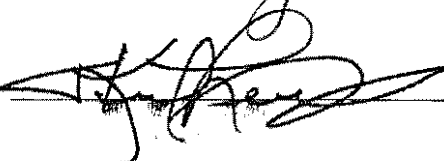
8. Upon approval by a majority of the registered electors voting thereon at said election, this proposal for a sales tax and use tax shall be effective throughout the incorporated and unincorporated portions of Montezuma County beginning January 1, 2005.

9. That this Resolution and the sales and use tax provided for herein shall conform to the constitutional and statutory provisions cited herein and as amended hereafter.

10. The Montezuma County Clerk and Recorder shall publish the text of this proposal as provided in section 29-2-104(5), C.R.S., and the Montezuma County Clerk and Recorder shall be the "designated election official" responsible for the running of said election including the timely mailing of all notices required by law. Upon approval by a majority of the registered electors voting thereon at said election, the Montezuma County Clerk and Recorder shall notify the State Executive Director of the Department of Revenue in accordance with section 29-2-106(2), C.R.S.

This Resolution is adopted this 12<sup>th</sup> day of July, 2004, at 9:15 o'clock Am.

BOARD OF COUNTY COMMISSIONERS  
OF MONTEZUMA COUNTY

Commissioners voting aye in favor of this Resolution were:

Glenn E. Wilson Jr., H. Wendell Lindley and  
J. Kent Lindsay.

Commissioners voting no against this Resolution were:

\_\_\_\_\_, \_\_\_\_\_ and  
\_\_\_\_\_.



Carol Lillis  
County Clerk and Recorder  
Montezuma County

RESOLUTION NO. 6-2004

**A RESOLUTION CANCELLING THE SUSPENSION  
OF THE BAN ON OPEN FIRES**

**WHEREAS**, the Board of County Commissioners of Montezuma County, State of Colorado, based upon competent evidence, finds that the danger of forest and grass fires is high throughout the unincorporated areas of Montezuma County and that to protect the public health, safety and welfare it is necessary to reduce the danger of wildfires within those areas;

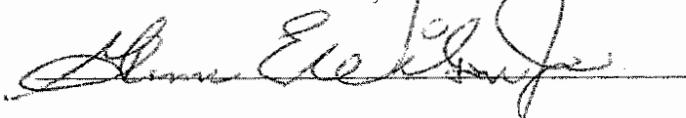
**NOW THEREFORE BE IT RESOLVED** by the Board of County Commissioners of Montezuma County as follows:

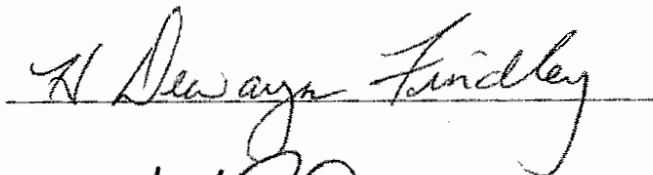
1. That Resolution No. 7-2003 and the suspension of the ban on open fires is hereby canceled pursuant to Montezuma County Ordinance No. 1-96.
2. That the ban on open fires pursuant to Ordinance No. 1-96 continues in full force and effect.

**NOW THEREFORE BE IT RESOLVED** that this resolution is hereby adopted effective immediately.

Adopted this 21<sup>st</sup> day of June, 2004, at 9:15 o'clock A. m.

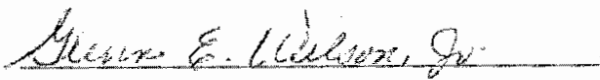
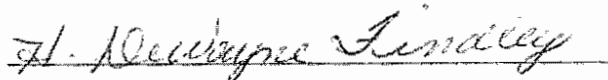
BOARD OF COUNTY COMMISSIONERS OF  
MONTEZUMA COUNTY, COLORADO

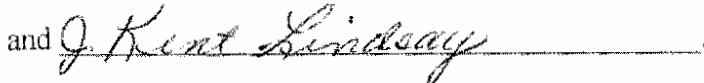






Commissioners voting aye in favor of this Resolution were:

and 

Commissioners voting no against this Resolution were:

\_\_\_\_\_

and \_\_\_\_\_





County Clerk and Recorder  
Montezuma County, Colorado



RESOLUTION NO. 5 - 2004

or

ORDINANCE NO. \_\_\_\_\_

PUBLIC ENTITY NAME: MONTEZUMA COUNTY, STATE  
OF COLORADO

RE: JOINDER IN THE  
COUNTY HEALTH POOL

WHEREAS, the governing body of MONTEZUMA COUNTY ("Public Entity") states that it has the authority under Article XIV, Section 18, of the Colorado Constitution and Sections 29-1-202, et seq., C.R.S., to enter into an intergovernmental agreement; and

WHEREAS, said governing body has further specific authority to provide certain benefits to its employees, including, but not limited to, health benefits; and

WHEREAS, the governing body has received certain comparative cost data and recommended funding factor information from the County Health Pool; and

WHEREAS, the governing body recognizes the advantages to its taxpayers, as well as to its employees, in adopting one or another of the specific health coverage plans submitted by the County Health Pool; and

WHEREAS, a copy of the Bylaws and General Policies of the County Health Pool was delivered to MONTEZUMA COUNTY ("Public Entity") on the 2ND day of JUNE, 2004, which Bylaws, pursuant to the provisions of Article XVI thereof, constitute the subject Intergovernmental Agreement;

NOW, THEREFORE, BE IT RESOLVED, that the governing body of MONTEZUMA COUNTY, hereby and herewith:

1. Approves the document, revised JANUARY 1, 2003, and entitled "Bylaws and Intergovernmental Agreement County Health Pool";
2. Directs MARY ANN SANDERS, the Official Representative for the Public Entity to the County Health Pool to execute the aforesaid Intergovernmental Agreement;

## DESIGNATION OF REPRESENTATIVE TO COUNTY HEALTH POOL

WHEREAS, the governing body of Montezuma County  
("Public Entity") is advised that the business to be conducted at Members' Meetings of the  
County Health Pool must be transacted by the Official Representative of each Member;

NOW, THEREFORE, BE IT RESOLVED, that the governing body of  
Montezuma County ("Public Entity"), hereby and herewith:

designates Mary Ann Sanders, as its Official  
Representative to all County Health Pool Members' meetings;

reserves the right to replace and, if there is a provision in the County Health Pool  
Agreement pertinent to this Public Entity, designates another Representative to  
serve with the person named herein above. If applicable, the Designated  
Alternate Representative is Destri Tucker;

requests all communications, in any way affecting the participation of the Public  
Entity in the Pool be addressed to:

NAME: Mary Ann Sanders

TITLE: Finance Director

ADDRESS: Montezuma County Administration  
109 W. Main, Room 302  
Cortez, CO 81321

PHONE: (970)565-8317

(If **billing** is to be sent to other than above, please denote below:

NAME: Destri Tucker

TITLE: Administrative Assistant

ADDRESS: Montezuma County  
109 W. Main, Room 302  
Cortez, CO 81321

PHONE: (970)565-8317

COMPLETED BY: 

DATE: June 14, 2004

THE BOARD OF COUNTY COMMISSIONERS  
OF THE COUNTY OF MONTEZUMA  
STATE OF COLORADO

At a regular meeting of the Board of County Commissioners of Montezuma County, Colorado, duly convened and held the 19th day of January, 2004, with the following persons in attendance:

|                       |   |
|-----------------------|---|
| Commissioners:        | Kent Lindsay, and<br>Glenn E. Wilson, Jr. |
| Commissioners Absent: | Dewayne Findley                           |
| County Administrator: | Thomas J. Weaver                          |
| County Attorney:      | Bob Slough                                |
| County Clerk:         | Carol Tullis                              |

the following proceedings, among others, were taken:

Resolution # 4-2004

WHEREAS, the United States Mint has embarked on a ten year program to commemorate the 50 states with a special addition quarter dollar, and;

WHEREAS, it is important to design these commemorative quarters to highlight some of the states best known attributes, and;


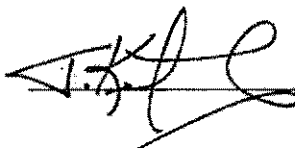
WHEREAS, Mesa Verde National Park is located in Colorado, and;

WHEREAS, Mesa Verde National park cliff dwellings rank among the States best know features, and;

WHEREAS, the cliff dwelling image would be easily incorporated in the design of the new quarter.


NOW THEREFORE BE IT RESOLVED, The Board of County Commissioners for Montezuma County encourages First Lady Francis Owens and members of the Commemorative Quarter Advisory Commission to include a cliff dwelling image as part of the Colorado Commemorative Quarter.

Commissioners voting aye in favor of the resolution were:

  \_\_\_\_\_

Commissioners voting nay against the resolution were:

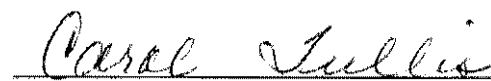
\_\_\_\_\_

  
\_\_\_\_\_  
County Clerk and Recorder  
Montezuma County, Colorado

I certify that the above Resolution is a true and correct copy of same as it appears in the minutes of the Board of County Commissioners of Montezuma County, Colorado and the votes upon same are true and correct.

Dated this 8<sup>th</sup> day of March, 2004.



  
\_\_\_\_\_  
County Clerk and Recorder  
Montezuma County, Colorado

**RESOLUTION NO. 3 - 2004**

A RESOLUTION OF THE MONTEZUMA COUNTY AUTHORIZING THE ISSUANCE OF THE COUNTY'S SALES AND USE TAX REVENUE REFUNDING BONDS, SERIES 2004, FOR THE PURPOSE OF REFUNDING THE SALES AND USE TAX REVENUE BONDS, SERIES 2000 OF THE COUNTY AT LOWER INTEREST RATES; PRESCRIBING THE FORM OF THE BONDS; PROVIDING FOR THE PAYMENT OF THE BONDS FROM A PLEDGE OF THE SALES AND USE TAX REVENUES DEPOSITED IN THE CAPITAL IMPROVEMENT FUND; AND PROVIDING DETAILS AND APPROVING DOCUMENTS IN CONNECTION WITH THE BONDS.

WHEREAS, Montezuma County, Colorado (the "County"), is a duly organized and validly existing county and political subdivision of the State of Colorado; and

WHEREAS, pursuant to Resolution No. 5-99 (the "Sales and Use Tax Resolution") duly adopted by the Board of County Commissioners of the County (the "Board") and approved by the eligible electors of the County, the County currently imposes a 0.45% Sales and Use Tax (the "Sales and Use Tax"), which tax terminates on the earliest permitted date following the payment of all bonds or refunding bonds authorized by the electors of the County; and

WHEREAS, the ballot issue submitted to electors of the County on November 2, 1999 which, among other things, approved the Sales and Use Tax Resolution, estimated the first full fiscal year dollar increase of the Sales and Use Tax to be \$975,000 and, because the actual amount of the Sales and Use Tax collected in calendar year 2000 did not exceed said estimate, no future reduction or refund of the tax was required under paragraph 3(c) of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the Sales and Use Tax Resolution provides that the revenues received from the Sales and Use Tax must be deposited into the Montezuma County Sales and Use Tax Capital Improvement Trust Fund (the "Capital Improvement Fund") or into the "Montezuma County Jail Operations Fund" (the "Jail Operations Fund"), provided however the amount deposited into the Jail Operations Fund is annually limited as to amount; and

WHEREAS, the County has duly authorized, sold, issued and delivered its Sales and Use Tax Revenue Bonds, Series 2000 in the original principal amount of \$6,260,000, of which \$5,440,000 in aggregate principal amount is currently outstanding (generally defined herein as the "Series 2000 Bonds" and the "Refunded Bonds"); and

WHEREAS, the Sales and Use Tax Resolution provides that Sales and Use Tax revenue deposited into the Capital Improvement Fund must be expended solely for the purpose of constructing and equipping a County jail, including the remodel of existing facilities to accommodate the justice building treatment unit, and all necessary or incidental costs related thereto, or for the payment of bonds or other obligations issued for such purpose, or deposited into the Jail Operations Fund and expended solely for the purpose of paying the costs of operating, maintaining, repairing and improving the County jail; and

WHEREAS, there is currently on deposit in the Capital Improvement Fund \$700,000 which can be applied to the payment of the Series 2000 Bonds, and

WHEREAS, the Series 2000 Bonds maturing on and after December 1, 2010, are subject to prior redemption on December 15, 2009 at a redemption price equal to the principal amount thereof (with no redemption premium) plus accrued interest to the date of redemption; and

WHEREAS, the principal of and interest on the Series 2000 Bonds are payable at American National Bank (as successor to The Bank of Cherry Creek, N.A.), Denver, Colorado, as paying agent; and

WHEREAS, George K. Baum & Company has presented a proposal to the Board to advance refund the Series 2000 Bonds through the issuance by the County of its Sales and Use Tax Revenue Refunding Bonds, Series 2004 at a lower interest rate than the Series 2000 Bonds to effect a savings to the County; and

WHEREAS, the Bonds shall be revenue obligations of the County payable solely from the Capital Improvement Fund; and

WHEREAS, Article X, Section 20 of the Colorado Constitution provides that voter approval in advance is not required for refinancing bonded debt at a lower interest rate; and

WHEREAS, the net proceeds derived from the sale of the Bonds, together with the legally available moneys on deposit in the Capital Improvement Fund, shall be placed in the special fund and trust account herein authorized, for the purpose only of paying the principal of and interest on the Refunded Bonds as the same become due and payable and upon redemption thereof, all as is more particularly hereinafter set forth; and

WHEREAS, Financial Security Assurance Inc. has issued its offer to insure (the "Commitment"), by which it is offering to commit to issue a municipal bond insurance policy insuring the payment when due of the principal of and interest on or in connection with the Bonds; and

WHEREAS, none of the members of the Board have any potential conflicting interests in connection with the authorization, issuance, or sale of the Bonds, or the use of the proceeds thereof; and

WHEREAS, prior to this meeting there has been presented to the County final or substantially final forms of the Preliminary Official Statement, the Commitment, the Escrow Agreement and the Bond Purchase Agreement (all as defined hereafter); and

WHEREAS, the Board desires to authorize the issuance and sale of the Bonds and the execution of the foregoing documents;

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MONTEZUMA COUNTY, COLORADO:

Section 1. **Definitions.** The following terms shall have the following meanings as used in this Resolution:

“*Act*” means Section 29-2-112, C.R.S., Part 2 of Article 57 of Title 11, C.R.S., and Article 56 of Title 11, C.R.S.

“*Beneficial Owner*” means any person for which a Participant acquires an interest in the Bonds.

“*Board*” means the Board of County Commissioners of the County.

“*Bond Account*” means the “Capital Improvement Fund Bond Account” created in the section hereof entitled “Reaffirmation of Funds; Establishment of Accounts.”

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

“*Bond Insurance Policy*” means the insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

“*Bond Insurer*” means Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto or assignee thereof.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement, dated February 25, 2004, between the County and the Underwriter concerning the purchase of the Bonds by the Underwriter.

“*Bonds*” means the Sales and Use Tax Revenue Refunding Bonds, Series 2004, dated March 1, 2004, authorized hereby.

“*Business Day*” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed for business.

“*Capital Improvement Fund*” means the “Montezuma County Sales and Use Tax Capital Improvement Trust Fund”, created by Resolution No. 5-99 of the County.

“*Cede*” means Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

“*Certified Public Accountant*” means an independent certified public accountant within the meaning of § 12-2-115, C.R.S. and any amendment thereto, licensed to practice in the State who or which shall be nationally recognized or otherwise acceptable to the Bond Insurer.

“*Code*” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations

proposed or in effect thereunder and applicable to the Bonds or the use of proceeds thereof, unless the context clearly requires otherwise.

*“Combined Maximum Annual Principal and Interest Requirements”* means an amount equal to the maximum amounts required to be paid in any single current or future calendar year as the principal of (including any mandatory sinking fund requirements) and interest on the Bonds and any Parity Lien Bonds outstanding, excluding any such bonds which have been defeased pursuant to the terms of the authorizing documents. For purposes of calculating the Combined Maximum Annual Principal and Interest Requirements in any calendar year in which any issue of Bonds and Parity Lien Bonds finally mature, there shall be subtracted from the final principal payment for said bonds any cash or the present value of any investments deposited in a reserve fund or account established pursuant to the authorizing documents which are properly allocable to said bonds.

*“Commitment”* means that certain offer to issue the Bond Insurance Policy by the Bond Insurer.

*“Continuing Disclosure Undertaking”* means the Continuing Disclosure Undertaking of the County executed and delivered by the County in connection with the issuance of the Bonds to facilitate compliance with Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12).

*“C.R.S.”* means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

*“County”* means Montezuma County, Colorado.

*“Depository”* means any securities depository as the County may provide and appoint, in accordance with the guidelines of the federal Securities and Exchange Commission, which shall act as securities depository for the Bonds.

*“DTC”* means the Depository Trust Company, New York, New York, and its successors and assigns, which shall act as the initial securities depository of the Bonds.

*“DTC Blanket Letter of Representations”* means the agreement between the County and DTC whereby the County agrees to comply with DTC’s operational requirements.

*“Escrow Account”* means the account established and designated as such in the section hereof entitled “Escrow Account; Payment of Refunded Bonds” to be maintained by the Bank in accordance with the Escrow Agreement and the provisions hereof.

*“Escrow Agreement”* means the Refunding Escrow Agreement concerning the Refunded Bonds between the County and the Bank.

*“Event of Default”* means any of the events specified in the section hereof entitled “Events of Default.”

*"Federal Securities"* means bills, certificates of indebtedness, notes, bonds or similar securities which are direct non-callable obligations of the United States of America or which are fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America.

*"Interest Sub-Account"* means a sub-account of the Bond Account established by the provisions hereof for the purpose of paying the interest on the Bonds and any Parity Lien Bonds.

*"Jail Operations Fund"* means the "Montezuma County Jail Operations Fund", created by Resolution No. 5-99 of the County.

*"Letter of Instructions"* means the Letter of Instructions, dated the date of issuance of the Bonds, delivered by Bond Counsel to the County, as it may be superseded or amended in accordance with its terms.

*"Official Statement"* means the final version of the Preliminary Official Statement.

*"Outstanding"* means, as of any date, all Bonds, except the following:

(a) Any Bond cancelled by the County or the Paying Agent, or otherwise on the County's behalf, at or before such dates;

(b) Any Bond held by or on behalf of the County;

(c) Any Bond for the payment or the redemption of which moneys or Federal Securities sufficient to meet all of the payment requirements of the principal of, interest on, and any premium due in connection with the redemption of such Bond to the date of maturity or any redemption date thereof, shall have theretofore been deposited in trust for such purpose in accordance with the section hereof entitled "Defeasing"; and

(d) Any lost, apparently destroyed, or wrongfully taken Bond in lieu of or in substitution for which another bond or other security shall have been executed and delivered.

*"Owner"* or *"Owners"* means the Person or Persons in whose name or names a Bond is registered on the registration books maintained by the Paying Agent pursuant hereto.

*"Parity Lien Bonds"* means any bonds or other obligations (which may or may not be multiple-fiscal year financial obligations) permitted to be issued pursuant to the section hereof entitled "Conditions to Issuance of Parity Lien Bonds," with a lien that is equal and on a parity with the lien of the Bonds on the Pledged Revenues and the moneys on deposit from time-to-time in the Capital Improvement Fund.

*"Participant"* or *"Participants"* means any broker-dealer, bank, or other financial institution from time to time for which DTC or another Depository holds the Bonds.



*"Paying Agent"* means American National Bank, in Denver, Colorado and its successors in interest or assigns approved by the County, which shall act as paying agent, bond registrar, and authenticating agent for the Bonds.

*"Permitted Investments"* means any legal investment permitted under State law.

*"Person"* means a corporation, firm, other body corporate, partnership, association or individual and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

*"Pledged Revenues"* means the County's Sales and Use Tax revenues required to be deposited in the Capital Improvement Fund pursuant to the section hereof entitled "Deposit of Sales and Use Tax Revenues." The Pledged Revenues are pledged solely for capital improvement purposes in accordance with the Act.

*"Preliminary Official Statement"* means the Preliminary Official Statement dated February 19, 2004, concerning the Bonds and the County.

*"Principal Sub-Account"* means a sub-account of the Bond Account established by the provisions hereof for the purpose of paying the principal of and premium, if any, on the Bonds and any Parity Lien Bonds.

*"Pro Rata Portion"* means the dollar amount derived by dividing the amount of principal or interest to come due on the next principal or interest payment date by the number of monthly credits required to be made prior to such payment date.

*"Rating Agency"* means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc.

*"Record Date"* means the last day of the calendar month next preceding each interest payment date.

*"Refunded Bonds"* means all of the Series 2000 Bonds.

*"Refunded Bonds Requirements"* means the principal and interest due in connection with the Refunded Bonds, at maturity or upon prior redemption, as set forth in the Escrow Agreement.

*"Refunding Project"* means the refunding of the Refunded Bonds and any other purpose for which proceeds of the Bonds may be expended under the Acts, including, but not limited to, the payment of the costs of issuance of the Bonds and the refunding, paying and discharging of the Refunded Bond Requirements.

*"Reserve Account"* means the "Sales and Use Tax Capital Improvement Fund Reserve Account" created in the section hereof entitled "Reaffirmation of Funds; Establishment of Accounts."

*"Reserve Account Contract"* means a surety bond, insurance policy, letter of credit, investment agreement, investment contract or similar instrument.

“*Reserve Account Requirement*” means (i) with respect to the Bonds, \$531,067.50 as of the date of delivery of the Bonds and thereafter, as funded pursuant to the Section entitled “Deposit of Sales and Use Tax Revenues”, the maximum annual debt service in any calendar year on the Outstanding Bonds; provided, however, that the Reserve Account Requirement may be reduced if, in the opinion of Bond Counsel, the funding or maintenance of it at the level otherwise determined pursuant to this definition will adversely affect the exclusion from gross income tax for federal income tax purposes of interest on any of the Bonds and (ii) with respect to Parity Lien Bonds, the maximum amount which may be deposited to the Reserve Account and allow such account to qualify as a “reasonably required reserve or replacement fund” under Section 148(d) of the Code.

“*Resolution*” means this Resolution which authorizes the issuance of the Bonds, including any amendments properly made hereto.

“*Sales and Use Tax*” means the 0.45% Sales and Use Tax of the County, as imposed by the County pursuant to the Sales and Use Tax Resolution and in effect as of the date hereof. The term “Sales and Use Tax” does not include any increase in the rate of Sales and Use Tax from the present rate of 0.45% and does not include any other legally available excise tax unless otherwise provided by the Board.

“*Sales and Use Tax Resolution*” means Resolution No. 5-99 of the County, duly adopted by the Board and approved by the eligible electors of the County at an election held on November 2, 1999.

“*Special Record Date*” means the record date for determining Bond ownership for purposes of paying defaulted interest, as such date may be determined pursuant to this Resolution.

“*State*” means the State of Colorado.

“*Underwriter*” means George K. Baum & Company, of Denver, Colorado, the original purchaser of the Bonds

Section 2. ***Authorization and Purpose of the Bonds.*** Pursuant to and in accordance with the Act, the County hereby authorizes, approves and orders that there shall be issued the “Montezuma County, Colorado, Sales and Use Tax Revenue Refunding Bonds, Series 2004” in the aggregate principal amount of \$5,680,000 for the purpose of paying costs of the Refunding Project.

### Section 3. ***Bond Details.***

(a) *Registered Form, Denominations, Original Dated Date and Numbering.* The Bonds shall be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof, shall be dated as of an original dated date of March 1, 2004, shall be consecutively numbered in the manner determined by the Paying Agent and shall be registered in the names of the Persons identified in the registration books of the County maintained by the Paying Agent.

(b) *Maturity Dates, Principal Amounts and Interest Rates.* The Bonds shall mature on December 15 of the years and in the principal amounts, and shall bear interest at the rates per annum (calculated based on a 360-day year of twelve 30-day months), set forth below:

| <u>Maturity</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-----------------|-------------------------|----------------------|
| 2004            | \$635,000               | 2.250%               |
| 2005            | 620,000                 | 2.250                |
| 2006            | 635,000                 | 2.250                |
| 2007            | 645,000                 | 2.250                |
| 2008            | 660,000                 | 2.500                |
| 2009            | 680,000                 | 2.750                |
| 2010            | 695,000                 | 3.000                |
| 2011            | 720,000                 | 2.875                |
| 2012            | 390,000                 | 3.000                |

(c) *Accrual and Dates of Payment of Interest.* Interest on the Bonds shall accrue at the rates set forth above from the later of the original dated date or the latest interest payment date (or in the case of defaulted interest, the latest date) to which interest has been paid in full and shall be payable on June 15 and December 15 of each year, commencing June 15, 2004.

(d) *Manner and Form of Payment.* Principal of, premium, if any, and the final installment of interest on each Bond shall be payable to the Owner thereof upon presentation and surrender of such bond at the principal operations office of the Paying Agent or at such other location as identified by the Paying Agent. Interest (other than the final installment of interest) on each Bond shall be payable by check or draft of the Paying Agent mailed on the interest payment date to the Owner thereof as of the Record Date. All payments of the principal of, premium, if any, and interest on the Bonds shall be made in lawful money of the United States of America.

(e) *Book-Entry Registration.* The Bonds shall be initially issued in the form of a single, certificate, fully registered Bond for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede, and principal of, premium if any, and interest on the Bonds shall be paid to DTC in accordance with the DTC Blanket Letter of Representations; provided, however, if at any time the Paying Agent determines, and notifies the County of its determination, that DTC is no longer able to act as, or is no longer satisfactorily performing its duties as, securities depository for the Bonds, the County may, at its sole and absolute discretion, either (A) designate a substitute securities depository for DTC and reregister the Bonds as directed by such substitute securities depository or (B) terminate the book-entry registration system and reregister the Bonds in the names of the Beneficial Owners thereof. Neither the County nor the Paying Agent shall have any liability to DTC, Cede, any substitute securities depository, any Beneficial Owner, any Person in whose name the Bonds are reregistered at the direction of any substitute securities depository, or any other Person for any action taken to implement the County's discretionary determination set

forth above that is taken pursuant to any direction of or in reliance on any information provided by DTC, Cede, any substitute securities depository, any Beneficial Owner, or any Person in whose name the Bonds are reregistered.

Section 4. *Form of the Bonds.* The Bonds shall be in substantially the form set forth in Appendix A hereto, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the County executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). Although attached as an appendix for the convenience of the reader, Appendix A is an integral part of this Resolution and is incorporated herein as if set forth in full in the body of this Resolution.

Section 5. *Execution, Authentication and Delivery of the Bonds.*

(a) *Execution.* The Bonds shall be executed in the name and on behalf of the County with the manual or facsimile signature of the Chairman of the Board, shall bear a manual or facsimile of the seal of the County and shall be attested by the manual or facsimile signature of the County Clerk and Recorder both of whom are hereby authorized and directed to prepare and execute the Bonds in accordance with the requirements hereof. Should any officer whose manual or facsimile signature appears on the Bonds cease to be such officer before delivery of any Bond, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes.

(b) *Authentication.* When the Bonds have been duly executed, the officers of the County are authorized to, and shall, deliver the Bonds to the Paying Agent for authentication. No Bond shall be secured by or entitled to the benefit of this Resolution, or shall be valid or obligatory for any purpose, unless the certificate of authentication of the Paying Agent has been manually executed by an authorized signatory of the Paying Agent. The executed certificate of authentication of the Paying Agent upon any Bond shall be conclusive evidence, and the only competent evidence, that such Bond has been properly authenticated hereunder.

(c) *Delivery.* Upon the authentication of the Bonds, the Paying Agent shall deliver the same to DTC in accordance with the provisions of the DTC Blanket Letter of Representations. Upon receipt of the agreed purchase price of the Bonds from the Underwriter and issuance of the approving opinion of Bond Counsel, DTC shall be directed to release the Bonds to the Beneficial Owners.

Section 6. *Registration, Transfer and Exchange of the Bonds.*

(a) *Registration.* The Paying Agent shall maintain registration books in which the ownership, transfer and exchange of Bonds shall be recorded. The person in whose name any Bond shall be registered on such registration books shall be deemed to be the absolute owner thereof for all purposes, whether or not payment on any Bond shall be overdue, and neither the County nor the Paying Agent shall be affected by any notice or other information to the contrary.

(b) *Transfer and Exchange.* The Bonds may be transferred or exchanged, at the principal office of the Paying Agent at the location identified in the definition of Paying

Agent in the section hereof entitled "Definitions," for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate, upon payment by the transferee of a transfer fee, any tax or governmental charge required to be paid with respect to such transfer or exchange and any cost of printing bonds in connection therewith. Upon surrender for transfer of any Bond, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his or her attorney duly authorized in writing, the County shall execute and the Paying Agent shall authenticate and deliver in the name of the transferee a new Bond.

(c) *Limitations on Transfer.* The County and Paying Agent shall not be required to issue or transfer any Bonds: (i) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first Business Day following the ensuing interest payment date, or (ii) during the period beginning at the opening of business on a date forty-five (45) days prior to the date of any redemption of Bonds and ending at the opening of business on the first Business Day following the day on which the applicable notice of redemption is mailed. The Paying Agent shall not be required to transfer any Bonds selected or called for redemption.

**Section 7. *Replacement of Lost, Destroyed or Stolen Bonds.*** If any Bond shall become lost, apparently destroyed, stolen or wrongfully taken, it may be replaced in the form and tenor of the lost, destroyed, stolen or taken bond and the County shall execute and the Paying Agent shall authenticate and deliver a replacement Bond upon the Owner furnishing, to the satisfaction of the Paying Agent: (a) proof of ownership (which shall be shown by the registration books of the Paying Agent), (b) proof of loss, destruction or theft, (c) an indemnity to the County and the Paying Agent with respect to the Bond lost, destroyed or taken, and (d) payment of the cost of preparing and executing the new bond or bonds.

#### **Section 8. *Redemption of Bonds Prior to Maturity.***

(a) *Optional Redemption.* The Bonds maturing on and before December 15, 2010 are not subject to redemption prior to their respective maturity dates. The Bonds maturing on and after December 15, 2011 are subject to redemption prior to maturity at the option of the County, in whole or in part in integral multiples of \$5,000, and if in part in such order of maturities as the County shall determine and by lot within a maturity, on December 15, 2010 and on any date thereafter, at a redemption price equal to the principal amount of the redeemed Bonds (with no redemption premium), plus accrued interest to the redemption date.

(b) *Redemption Procedures.* Notice of any redemption of Bonds shall be given by the Paying Agent in the name of the County by sending a copy of such notice by first-class, postage prepaid mail, not less than 30 days prior to the redemption date, to the Owner of each Bond being redeemed. Such notice shall specify the number or numbers of the Bonds so to be redeemed (if redemption shall be in part) and the redemption date. If any Bond shall have been duly called for redemption and if, on or before the redemption date, there shall have been deposited with the Paying Agent in accordance with this Resolution funds sufficient to pay the redemption price of such Bond on the redemption date, then such Bond shall become due and payable at such redemption date, and from and after such date

interest will cease to accrue thereon. Failure to deliver any redemption notice or any defect in any redemption notice shall not affect the validity of the proceeding for the redemption of Bonds with respect to which such failure or defect did not occur. Any Bond redeemed prior to its maturity by prior redemption or otherwise shall not be reissued and shall be cancelled.

**Section 9. *Reaffirmation of Funds; Establishment of Accounts.***

(a) There is hereby reaffirmed the Capital Improvement Fund. Moneys deposited in the Capital Improvement Fund shall not thereafter be available to be pledged or expended for any general county purpose. There also is hereby established within the Capital Improvement Fund the following accounts:

(i) the Bond Account, within which there are established the Interest Sub-Account and the Principal Sub-Account; and

(ii) the Reserve Account.

(b) There is hereby established with the Escrow Agent a special account designated as the "General Obligation Refunding Bonds, Series 2004, Escrow Account," which shall be maintained in accordance with the provisions hereof and of the Escrow Agreement.

**Section 10. *Application of Proceeds of the Bonds; Funding of Reserve Account.***

(a) *Application of Bond Proceeds.* Upon payment to the County of the purchase price of the Bonds in accordance with the Bond Purchase Agreement, the proceeds received by the County from the sale of the Bonds shall be applied as a supplemental appropriation of the County as follows:

(i) to the Interest Sub-Account, the accrued interest on the Bonds from the dated date thereof to the date of issuance, if any; and

(ii) to the Escrow Account, an amount sufficient, together with legally available money of the County currently on deposit in the Capital Improvement Fund, to fund the Escrow Account in accordance with the report of a certified public accountant as required by the provisions hereof.

**Section 11. *Deposit of Sales and Use Tax Revenues.***

(a) *Deposit to Capital Improvement Fund.* Except as otherwise permitted in paragraph (b) of this Section, immediately upon receipt of Sales and Use Tax revenues, the County shall deposit the Sales and Use Tax revenues into the Capital Improvement Fund in the following order of priority:

*First*, to the credit of the Interest Sub-Account, the amounts required by the section hereof entitled "Bond Account";

*Second*, to the credit of the Principal Sub-Account, the amounts required by the section hereof entitled "Bond Account";

*Third*, to the credit of the Reserve Account, the amounts required by the section hereof entitled "Reserve Account";

*Fourth*, to the Bond Insurer, any amounts due the Bond Insurer not paid pursuant to First, Second or Third above.

*Fifth*, to the credit of any other fund or account hereafter established for the payment of the principal of, premium if any, and interest on subordinate lien obligations as described in paragraph (c) of the section hereof entitled "Pledge and Lien for Payment of Bonds," including any sinking fund, reserve fund, or similar fund or account established therefor, the amounts required by the Resolution or other enactment authorizing issuance of said subordinate lien obligations; and

*Sixth*, to the credit of any other account hereafter established by the County solely for capital improvement purposes.

(b) *Deposit to Jail Operations Fund.* The County shall be permitted to deposit Sales and Use Tax revenues into the Jail Operations Fund during any period of time in which the following conditions are satisfied:

(i) the amount of money in the Bond Account and the Reserve Account, as provided in the Sections hereof entitled "Bond Account" and "Reserve Account", is equal to or greater than the amount then required to be deposited therein, and

(ii) an Event of Default has not occurred and is ongoing.

## Section 12. ***Bond Account.***

(a) *Use of Moneys in Bond Account.* Moneys deposited in the Bond Account shall be used solely for the purpose of paying the principal of, premium if any, and interest on the Bonds and any Parity Lien Bonds. The Principal Sub-Account shall be used to pay the principal of and premium, if any, on the Bonds and any Parity Lien Bonds, and the Interest Sub-Account shall be used to pay the interest on the Bonds and any Parity Lien Bonds.

(b) *Deposits to Interest Sub-Account.* On or before the last day of each month, commencing in the month next succeeding the date of issuance of the Bonds, the County shall credit to the Interest Sub-Account, from the Pledged Revenues and any interest income to be deposited in the Interest Sub-Account pursuant to the terms hereof, an amount equal to the Pro Rata Portion of the interest to come due on the Bonds and any Parity Lien Bonds on the next succeeding interest payment date.

(c) *Deposits to Principal Sub-Account.* On or before the last day of each month, commencing in the month next succeeding the date of issuance of the Bonds, the County shall credit to the Principal Sub-Account, from the Pledged Revenues and any interest

income to be deposited in the Principal Sub-Account pursuant to the terms hereof, an amount equal to the Pro Rata Portion of the principal coming due on the Bonds and on any Parity Lien Bonds on the next succeeding principal payment date.

(d) *Investments.* Moneys deposited in the Bond Account may be invested or deposited in securities or obligations that are Permitted Investments. The investment of moneys deposited in the Bond Account shall, however, be subject to the covenants and provisions of the section hereof entitled "Covenants Regarding Exclusion of Interest on Bonds from Gross Income for Federal Income Tax Purposes." Except to the extent otherwise required by such section, all interest income from the investment or reinvestment of moneys deposited in any sub-account of the Bond Account shall remain in and become part of such sub-account.

### Section 13. *Reserve Account.*

(a) *Use of Moneys in Reserve Account.* Moneys in the Reserve Account shall be used, if necessary, only to prevent a default in the payment of the principal of, premium if any, and interest on the Bonds and any Parity Lien Bonds when due. Moneys on deposit in the Reserve Account, proceeds of the liquidation of Permitted Investments on deposit in the Reserve Account or moneys available from a Reserve Account Contract shall be transferred to the Bond Account on any date on which a payment of principal of, premium, if any, or interest on the Bonds and any Parity Lien Bonds is due to the extent the amount on deposit in the Bond Account is insufficient to make such payment.

(b) *Funding and Maintenance of Reserve Account Requirement.* The Reserve Account Requirement shall be funded and maintained by any one of or any combination of (i) cash; (ii) Permitted Investments which have an averaged weighted maturity of five years or less; and (iii) solely with the prior written consent of the Bond Insurer, a Reserve Account Contract which provides for payments when and as required for purposes of the Reserve Account and is issued by an obligor whose obligations such as the Reserve Account Contract are either (A) rated by a Rating Agency as investment grade or (B) if a rating has been obtained on the Bonds or any Parity Lien Bonds whose obligations are rated by each Rating Agency that then maintains a rating on the Bonds or any Parity Lien Bonds in a category (or comparable classification) equal to or higher than the category, if any, in which the Bonds or any Parity Lien Bonds are rated.

(c) *Valuation of Deposits.* Cash shall satisfy the Reserve Account Requirement by the amount of cash on deposit. Permitted Investments shall satisfy the Reserve Account Requirement by the value of such investments. The value of each Permitted Investment on deposit in the Reserve Account shall be (i) its purchase price from the date of purchase until the first date thereafter on which the Reserve Account Requirement is calculated pursuant to paragraph (d) of this section and (ii) following each date on which the Reserve Account Requirement is calculated pursuant to paragraph (d) of this section until the next date on which the Reserve Account Requirement is so calculated, its fair market value determined as of such calculation date. A Reserve Account Contract shall satisfy the Reserve Account Requirement by the amount payable to the County pursuant to such contract.



(d) *Calculation of Reserve Account Requirement and Transfers Resulting from Calculation.* The Reserve Account Requirement shall be calculated as of (i) the date of issuance of the Bonds, (ii) the date immediately following the issuance of the Bonds until the Reserve Account is fully funded in the amount of the Reserve Account Requirement and (iii) the date of issuance of each series of Parity Lien Bonds. If at any time the calculated amount of the Reserve Account is less than the Reserve Account Requirement or transfers are made from the Reserve Account as provided in paragraph (a) hereof, then the County shall deposit to the Reserve Account from the Pledged Revenues, amounts sufficient to bring the amount deposited in the Reserve Account to the Reserve Account Requirement. If at any time the calculated amount of the Reserve Account is more than the Reserve Account Requirement, then the County shall transfer to the Bond Account such amount which is in excess of the Reserve Account Requirement. Such deposits shall be made as soon as possible after such use or calculation, but in accordance with and subject to the limitations of the section hereof entitled "Deposit of Sales and Use Tax Revenues."

(e) *Transfer of Interest Income to Bond Account.* The investment of moneys deposited in the Reserve Account shall be subject to the covenants and provisions of the section hereof entitled "Covenants Regarding Exclusion of Interest on Bonds from Gross Income for Federal Income Tax Purposes." Except to the extent otherwise required by such section, interest income from the investment or reinvestment of moneys deposited in the Reserve Account shall be transferred to the Bond Account.

#### Section 14. *Escrow Account; Payment of Refunded Bonds.*

(a) *Establishment and Maintenance of Escrow Account.* The Escrow Account shall be maintained in an amount at the time of the initial deposits therein and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities to pay the Refunded Bond Requirements. Except as may be otherwise provided in the Escrow Agreement, the County shall have no right or title to the moneys credited to or held in the Escrow Account, and such title shall be and is hereby transferred to the Bank in trust for the payment of the Refunded Bond Requirements pursuant to the Escrow Agreement. Moneys shall be withdrawn by the Bank from the Escrow Account in sufficient amounts and at such times to permit the payment without default of the Refunded Bond Requirements. If for any reason the amount in the Escrow Account shall at any time be insufficient for the purpose hereof, the County shall forthwith from the first moneys available therefor deposit in such account such additional moneys as shall be necessary to permit the payment in full of the Refunded Bond Requirements.

(b) *Call of Refunded Bonds.* The Board does hereby declare its intent to exercise on behalf of and in the name of the County its option to redeem all of the Refunded Bonds on the earliest date on which the Refunded Bonds can be called and redeemed. The County hereby authorizes and irrevocably instructs the Bank to give or cause to be given a notice of refunding, defeasance and redemption of the Refunded Bonds.

Section 15. ***Pledge and Lien for Payment of Bonds.***

(a) ***Pledge of Revenues.*** The County hereby pledges for the payment of the principal of, premium, if any, and interest on the Bonds and Parity Lien Bonds at any time Outstanding, and grants a first lien (but not necessarily an exclusive first lien) for such purpose on (i) the Pledged Revenues and (ii) all moneys on deposit from time-to-time in the Capital Improvement Fund.

(b) ***Superior Liens Prohibited.*** The County shall not pledge or create any other lien on the revenues and moneys pledged pursuant to paragraph (a) of this Section that is superior to the pledge thereof or lien thereon pursuant to such paragraphs.

(c) ***Subordinate Liens Permitted.*** Nothing herein shall prohibit the County from issuing subordinate lien obligations and pledging or creating a lien on the revenues and moneys pledged and the lien created pursuant to paragraph (a) of this section that is subordinate to the pledge thereof or lien thereon pursuant to such paragraph, provided that no Event of Default shall have occurred and be continuing.

(d) ***No Prohibition on Additional Security.*** Nothing herein shall prohibit the County from depositing any legally available revenues from the Sales and Use Tax that are not Pledged Revenues or any other moneys into any account of the Capital Improvement Fund pledged to the payment of the Bonds and Parity Lien Bonds (and thereby subjecting the moneys so deposited to the pledge made and lien granted in paragraph (a) of this section).

(e) ***Bonds are Special, Limited Obligations of the County.*** The Bonds are special, limited obligations of the County payable solely from the Capital Improvement Fund and secured solely by the sources provided in this Resolution. The Bonds shall not constitute a debt of the County within the meaning of any constitutional or statutory limitation.

Section 16. ***Conditions to Issuance of Parity Lien Bonds.*** The County shall not issue Parity Lien Bonds unless all of the following conditions are satisfied:

(a) ***Historical and Expected Sales and Use Tax Test; Special Test for Refundings.*** A Certified Public Accountant certifies in writing that either:

(i) the Sales and Use Tax for any 12 consecutive months in the 18 months immediately preceding the month in which such certification is delivered (referred to in this paragraph as the “test period”) have been equal to at least 200% of the sum of the Combined Maximum Principal and Interest Requirements due or to become due on the Bonds and the proposed Parity Lien Bonds during each calendar year following the date of issuance of the proposed Parity Lien Bonds, provided that in calculating the Sales and Use Tax during the test period, the County shall add the amount by which the County reasonably estimates the Sales and Use Tax would have been increased during the test period from any increase in the rate of the County’s Sales and Use Tax that (A) is effective on or

prior to the date such certification is delivered and (B) is pledged to the payment of principal of, premium, if any, and interest on the Bonds; or

(ii) the proceeds of the proposed Parity Lien Bonds will be used to refund the Bonds and the aggregate principal of and interest due on the proposed Parity Lien Bonds is not greater than the aggregate principal of and interest due on the Bonds that will be refunded.

(b) *Accrued Interest Deposited in Bond Account.* Moneys (which may but need not be proceeds of the proposed Parity Lien Bonds) in an amount equal to the interest accrued on the proposed Parity Lien Bonds from their dated date to their date of issuance are deposited into the Bond Account.

(c) *Reserve Account Deposit.* The Reserve Account is funded in the amount of Reserve Account Requirement in accordance with the section hereof entitled "Reserve Account."

(d) *No Event of Default.* The Chairman of the Board certifies in writing that no Event of Default has occurred and is continuing.

Section 17. ***Additional General Covenants.*** In addition to the other covenants of the County contained herein, the County hereby further covenants for the benefit of Owners of the Bonds and the Bond Insurer that:

(a) *Maintenance of Sales and Use Tax.* The County will not reduce the rate of the Sales and Use Tax or alter, exempt or modify the transactions, properties or items subject to the Sales and Use Tax in any manner that the County expects will materially reduce the amounts available for deposit into the Capital Improvement Fund. Further, any such reduction in the rate of the Sales and Use Tax or alteration, exemption or modification of the transactions, properties or items subject to the Sales and Use Tax shall be subject to the prior written consent of the Bond Insurer.

(b) *Efficient Collection and Enforcement of the Sales and Use Tax.* The County will manage the collection and enforcement of the Sales and Use Tax in the most efficient and economical manner practicable.

(c) *Inspection of Records.* The County will keep or cause to be kept such books and records showing the proceeds of the Sales and Use Tax, in which complete entries shall be made in accordance with generally accepted accounting principles, as applicable to governmental entities, and the Owner of any Bond and the Bond Insurer shall have the right at all reasonable times to inspect all non-confidential records, accounts, actions and data of the County relating to the Bonds, the Sales and Use Tax and the Capital Improvement Fund.

(d) *Annual Audit.* The County will cause an annual audit to be made of the books relating to the Sales and Use Tax each year by a certified public or registered accountant and shall furnish a copy thereof to the Underwriter at its request and to any Owner who so requests and agrees to pay the cost of reproduction and mailing. The annual

audit of the County's general purpose financial statements shall be deemed to satisfy this covenant.

(c) *Replacement of the Sales and Use Tax.* If the Sales and Use Tax is replaced by another tax or revenue source, the revenues, net of collection and enforcement costs, received by the County from the replacement in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds and to make the deposits to the accounts required hereunder are hereby pledged for the benefit of the Owners of the Bonds in the same manner and on the same terms as the Pledged Revenues are pledged therefor hereunder.

Section 18. ***Covenants Regarding Exclusion of Interest on Bonds from Gross Income for Federal Income Tax Purposes.*** For purposes of ensuring that the interest on the Bonds is and remains excluded from gross income for federal income tax purposes, the County hereby covenants that:

(a) *Prohibited Actions.* The County will not use or permit the use of any proceeds of the Bonds or any other funds of the County 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 any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, or would otherwise cause the interest on any Bond to be includible in gross income for federal income tax purposes.

(b) *Affirmative Actions.* The County will at all times do and perform all acts permitted by law that are necessary in order to assure that interest paid by the County on the Bonds shall not be includible in gross income for federal income tax purposes under the Code or any other valid provision of law. In particular, but without limitation, the County 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 Bonds will not be used in a manner that will cause the Bonds to be considered "private activity bonds" within the meaning of the Code; (ii) the Bonds are not and will not become directly or indirectly "federally guaranteed"; and (iii) the County 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 County will comply with the Letter of Instructions delivered to it on the date of issuance of the Bonds, including but not limited by the provisions of the Letter of Instructions regarding the application and investment of Bond 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 Bonds to become includible in gross income for federal income tax purposes, the County will thereafter comply with the new Letter of Instructions.

(d) *Bank Qualified.* The County hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The County

covenants that the aggregate face amount of all tax-exempt obligations issued by the County, together with governmental entities which derive their issuing authority from the County or are subject to substantial control by the County, shall not be more than \$10,000,000 during calendar year 2004. The County recognizes that such tax-exempt obligations include notes, leases, loans and warrants, as well as bonds. The County further recognizes that any bank, thrift institution or other financial institution that owns the Bonds will rely on the County's designation of the Bonds as qualified tax-exempt obligations for the purpose of avoiding the loss of 80% of any otherwise available interest deduction attributable to such institution's tax-exempt holdings.

#### Section 19. *Defeasance.*

(a) *Bonds not Deemed Outstanding.* Any Bond shall not be deemed to be Outstanding hereunder if it shall have been paid and cancelled or if cash or Federal Securities shall have been deposited in trust for the payment thereof (whether upon or prior to the maturity of such Bond, but if such Bond is to be paid prior to maturity, the County shall have given the Paying Agent irrevocable directions to give notice of redemption as required by this Resolution, or such notice shall have been given in accordance with this Resolution). In computing the amount of the deposit described above, the County may include interest to be earned on the Federal Securities. If less than all the Bonds are to be defeased pursuant to this section, the County, in its sole discretion, may select which of the Bonds shall be defeased.

(b) *Requirements of Bond Insurer.* To accomplish defeasance, the County shall cause to be delivered (i) a report of a Certified Public Accountant verify the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date (the "Verification"), (ii) an escrow agreement acceptable in form and substance to the Bond Insurer and (iii) an opinion of Bond Counsel to the effect that the Bonds are no longer Outstanding under this Resolution. Each Verification and defeasance opinion shall be acceptable in form and substance to the Bond Insurer, and addressed to the County and the Bond Insurer. The Bond Insurer shall be provided with final drafts of the above-referenced documents not less than five Business Days prior to the funding of the escrow.

(c) *Payments by Bond Insurer.* Notwithstanding anything herein to the contrary, in the event that principal of and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the County, and all covenants, agreements and other obligations of the County to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

Section 20. *Events of Default.* Each of the following events constitutes an Event of Default:

(a) *Nonpayment of Principal, Premium or Interest.* Failure to make any payment of principal of, premium, if any, or interest on the Bonds when due hereunder;

(b) *Breach or Nonperformance of Duties.* Breach by the County of any material covenant set forth herein or failure by the County to perform any material duty imposed on it hereunder and continuance of such breach or failure for a period of 60 days after receipt by the County Attorney of the County of written notice thereof from the Paying Agent or from the Owners of at least 10% in principal amount of the Outstanding Bonds, provided that such 60 day period shall be extended with the consent of the Bond Insurer so long as the County has commenced and continues a good faith effort to remedy such breach or failure; or

(c) *Appointment of Receiver.* An order or decree is entered by a court of competent jurisdiction appointing a receiver for all or any portion of the revenues and moneys pledged for the payment of the Bonds pursuant hereto is entered with the consent or acquiescence of the County or is entered without the consent or acquiescence of the County but is not vacated, discharged or stayed within 30 days after it is entered.

#### Section 21. *Remedies for Events of Default.*

(a) *Remedies.* Upon the occurrence and continuance of any Event of Default, the Owners of not less than 25% in principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the County to protect and to enforce the rights of any Owner of Bonds under this Resolution by mandamus, injunction or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction: (i) for the payment of interest on any installment of principal of any Bond that was not paid when due at the interest rate borne by such bond, (ii) for the appointment of a receiver or an operating trustee, (iii) for the specific performance of any covenant contained herein, (iv) to enjoin any act that may be unlawful or in violation of any right of any Owner of any Bond, (v) to require the County to act as if it were the trustee of an express trust, (vi) for any other proper legal or equitable remedy as such Owner may deem most effectual to protect their rights or (vii) any combination of such remedies or as otherwise may be authorized by any statute or other provision of law; provided, however, that acceleration of any amount not yet due on the Bonds according to their terms shall not be an available remedy. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of Bonds then Outstanding. Any receiver or operating trustee appointed in any proceedings to protect the rights of Owners of Bonds hereunder may collect, receive and apply all revenues and moneys pledged for the payment of the Bonds pursuant hereto arising after the appointment of such receiver or operating trustee in the same manner as the County itself might do.

Anything in this Resolution to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners under this Resolution and pursuant to State law. The rights granted to the Bond Insurer under this Resolution to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the

Owners nor does such action evidence any position of the Bond Insurer, positive or negative, as to whether Owner consent is required in addition to the consent of the Bond Insurer.

(b) *Failure to Pursue Remedies Not a Release; Rights Cumulative.* The failure of any Owner of any Bond then Outstanding to proceed in any manner herein provided shall not relieve the County of any liability for failure to perform or carry out its duties hereunder. 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 Bond shall be entitled to all of the privileges, rights and remedies provided or permitted in this Resolution and as otherwise provided or permitted by law or in equity.

(c) *Obligations of County and Paying Agent in Connection with Events of Default.* Upon the occurrence and continuation of any of Events of Default: (i) the County shall take all proper acts to protect and preserve the security for the payment of the Bonds and to insure the payment of debt service on the Bonds promptly when due; (ii) the County and the Paying Agent shall give the Owners of the Bonds then Outstanding notice by first class mail of (A) any default in the payment of, premium, if any, or interest on the Bonds immediately after discovery thereof and (B) any other Event of Default within 30 days after discovery thereof. During the continuation of any Event of Default, except to the extent it may be unlawful to do so, all revenues and moneys pledged for the payment of the Bonds pursuant hereto shall be held for and applied to the debt service on all Bonds on an equitable and prorated basis. If the County fails or refuses to proceed as provided in this paragraph, the Owners of not less than 25% in principal amount of the Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of the Bonds as provided in this paragraph; and to that end any such rights of Owners of Bonds then Outstanding shall be subrogated to all rights of the County under any agreement or contract involving the revenues and moneys pledged for the payment of the Bonds pursuant hereto that was entered into prior to the effective date of this Resolution or thereafter while any of the Bonds are Outstanding. Nothing herein requires the County to proceed as provided in this paragraph if it determines in good faith and without any abuse of its discretion that such action is likely to affect materially and prejudicially the Owners of the Bonds then Outstanding.

(b) *Bond Insurer Third-Party Beneficiary.* To the extent that this Resolution confers upon or gives or grants to the Bond Insurer any right, remedy or claim under or by reason of this Resolution, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 22. *Amendment of Resolution.*

(a) *Amendments Permitted without Notice to or Consent of Owners.* The County may, without the consent of or notice to the Owners of the Bonds, but with the consent of the Bond Insurer, adopt one or more Resolutions amending or supplementing this Resolution (which Resolutions shall thereafter become a part hereof) for any one or more or all of the following purposes:

(i) to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision of this Resolution;

(ii) to subject to this Resolution additional revenues, properties or collateral or provide for a pledge of State or County Sales and Use Taxes as permitted by subsection (a) of the section hereof entitled "Additional General Covenants";

(iii) to facilitate the designation of a substitute securities depository or to terminate the book-entry registration system for the Bonds in accordance with the section hereof entitled "Bond Details";

(iv) to facilitate the issuance of Parity Lien Bonds permitted to be issued pursuant to the section hereof entitled "Conditions to Issuance of Parity Lien Bonds";

(v) to facilitate the funding of the Reserve Account or the substitution of one source of funding of the Reserve Account for another permitted source in accordance with the section hereof entitled "Reserve Account";

(vi) to maintain the then existing or to secure a higher rating of the Bonds by any nationally recognized securities rating agency; or

(vii) to make any other change that does not materially adversely affect the Owners of the Bonds.

(b) *Amendments Requiring Notice to and Consent of Owners.* Except for amendments permitted by paragraph (a) of this section, this Resolution may only be amended (i) by an Resolution of the County amending or supplementing this Resolution (which, after the consents required therefor, shall become a part hereof) and (ii) with the written consent of the Owners of at least 66 2/3% in aggregate principal amount of the Bonds then Outstanding; provided that any amendment that makes any of the following changes with respect to any Bond shall not be effective without the written consent of the Owner of such bond: (A) a change in the maturity of such bond; (B) a reduction of the interest rate on such bond; (C) a change in the terms of redemption of such bond; (D) a delay in the payment of principal of, premium, if any, or interest on such bond; (E) the creation of any pledge of or lien upon any revenues or moneys pledged for the payment of such bond hereunder that is superior to the pledge and lien for the payment of such bond hereunder; (F) a relaxation of the conditions to the issuance of Parity Lien Bonds or to the creation of any pledge of or lien upon any revenues or moneys pledged for the payment of



such bond hereunder that is equal to or on a parity with the pledge and lien for the payment of such bond hereunder; (G) a reduction of the principal amount or percentage of Bonds whose consent is required for an amendment to this Resolution; or (H) the establishment of a priority or preference for the payment of any amount due with respect to any other Bond over such bond.

(c) *Procedure for Notifying and Obtaining Consent of Owners.* Whenever the consent of an Owner or Owners of Bonds is required under paragraph (b) of this Section, the County shall mail a notice to such Owner or Owners at their addresses as set forth in the registration books maintained by the Paying Agent and to the Underwriter, which notice shall briefly describe the proposed amendment and state that a copy of the amendment is on file in the office of the County Clerk and Recorder for inspection. Any consent of any Owner of any Bond obtained with respect to an amendment shall be in writing and shall be final and not subject to withdrawal, rescission or modification for a period of 60 days after it is delivered to the County unless another time period is stated for such purpose in the notice mailed pursuant to this paragraph.

(d) *Consent of Bond Insurer in Addition to Consent of Owners.* The Bond Insurer's consent shall be required in addition to the consent of Owners, when required, for the following purposes: (i) execution and delivery of any supplemental Resolution or any amendment, supplement or change to or modification of the Resolution; (ii) removal of the Paying Agent and selection and appointment of a successor; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires the consent of Owners.

Section 23. *Findings and Determinations.* Having been fully informed of and having considered all the pertinent facts and circumstances, the Board does hereby find, determine, and declare:

(a) it is in the best interest of the County and its residents that the Bonds be authorized, sold, issued and delivered at the time, in the manner and for the purposes provided in this Resolution;

(b) pursuant to Article X, Section 20 of the Colorado Constitution, voter approval is not required for the issuance of the Bonds because the issuance of the Bonds will result in a lower interest rate than the interest rates on the Refunded Bonds;;

(c) The County will enter into a DTC Letter of Representations which will govern the book-entry registration system for the Bonds;

(d) The issuance of the Bonds and all procedures undertaken incident thereto are in full compliance and conformity with all applicable requirements, provisions and limitations prescribed by the Constitution and laws of the State, including the Act, and all conditions and limitations of other applicable law relating to the issuance of the Bonds have been satisfied; and

(e) It is to the best advantage of the County and its residents that the Bonds be authorized, sold, issued and delivered at the time, in the manner and for the purposes provided in this Resolution.

Section 24. *Appointment and Duties of Paying Agent.* The Paying Agent is hereby appointed as paying agent, registrar and authenticating agent for the Bonds unless and until the County removes it as such and appoints a successor Paying Agent, in which event such successor shall automatically succeed to the duties of the Paying Agent hereunder and its predecessor shall immediately turn over all its records regarding the Bonds to such successor. The Paying Agent, by accepting its duties as such, agrees to perform all duties and to take all actions assigned to it hereunder in accordance with the terms hereof. The appointment and acceptance of the duties of Paying Agent hereunder may be affected through the execution of a certificate or agreement by the Paying Agent.

Section 25. *Claims Upon the Bond Insurance Policy and Payments by and to the Bond Insurer; Subrogation.*

(a) *Claim Made.* If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under this Resolution, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall give notice to the Bond Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer of the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Bond Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(b) *Payment of Claim.* In the event the claim to be made is for a mandatory sinking fund redemption installment, upon receipt of the moneys due, the Paying Agent shall authenticate and deliver to affected Owners who surrender their Bonds a new Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered. The Paying Agent shall designate any portion of payment of principal on Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Bond Insurer, registered in the name of Financial Security Assurance Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the County on any Bond or the subrogation rights of the Bond Insurer.

(c) *Records.* The Paying Agent shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account and the

allocation of such funds to payment of interest on and principal paid in respect of any Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

(d) *Policy Payments Account.* Upon payment of a claim under the Bond Insurance Policy the Paying Agent shall establish a separate special purpose trust account for the benefit of Owners referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Owners and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Owners in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments.

Notwithstanding anything to the contrary otherwise set forth in this Resolution, but only to the extent permitted by law, in the event amounts paid under the Insurance Policy are applied to claims for payment of principal of or interest on the Bonds, interest on such principal of and interest on such Bonds shall accrue and be payable from the date of such payment at the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank or its successor at its principal office in the City of New York, as its prime or base lending rate plus 3¾%, and (ii) the then applicable rate of interest on the Bonds provided that in no event shall such rate exceed the maximum rate permissible under Article X, Section 20 of the Colorado Constitution such that the County is refinancing the Refunded Bonds at a lower interest rate.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Bond Insurer.

(e) *Subrogation.* The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy. The obligations to the Bond Insurer shall survive discharge or termination of this Resolution or the Sales and Use Tax Resolution.

Section 26. ***Authorization of Bond Insurance Policy; Special Provisions Relating to Municipal Bond Insurance.*** The officers of the County are hereby authorized and directed to take all actions necessary to cause the Bond Insurer to issue the Bond Insurance Policy in accordance with the Commitment, including without limitation, payment of the premium due in connection therewith. The execution of the Commitment by the appropriate officer of the County is hereby ratified and approved. The provisions of this Section shall govern the circumstances in which they apply so long as the Bond Insurer is not in default of its payment obligations under the Bond Insurance Policy, notwithstanding anything to the contrary set forth elsewhere in this Resolution.

(a) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account.

(b) The Bond Insurer shall be deemed to be the sole holder of the Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds are entitled to take pursuant to this Resolution. In such instances, the Paying Agent shall take no action except with the consent, or at the direction, of the Bond Insurer.

(c) The County shall pay or reimburse the Bond Insurer any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur in connection with (1) the administration, enforcement, defense or preservation of any rights or security in respect of this Resolution, (2) the pursuit of any remedies under this Resolution or otherwise afforded by law or equity, (3) any amendment, waiver or other action with respect to, or related to, this Resolution whether or not executed or completed, (4) the violation by the County of any law, rule or regulation, or any judgment, order or decree applicable to it or (5) any litigation or other dispute in connection with this Resolution or the transactions contemplated thereby, other than amounts resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Resolution or any other Related Document.

(d) The Bond Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the County (as such terms are defined in the Bond Insurance Policy) whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

(e) The notice address of the Bond Insurer is: Financial Security Assurance Inc., 350 Park Avenue, New York, New York 10022-6022, Attention: Managing Director-Surveillance-Re: Policy No. \_\_\_\_\_, Telephone: (212) 826-0100; Telecopier: (212) 339-3529. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(f) The Bond Insurer shall be provided with the following information:

(i) Annual audited financial statements within 150 days after the end of the County's fiscal year (together with a certification that the County is not aware of any default or Event of Default under the Resolution) and the County's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Reserve Account within two Business Days after knowledge thereof other than (A) withdrawals of amounts in excess of the Required Reserve and (B) withdrawals in connection with a refunding of the Bonds;

(iii) Notice of any default known to the Paying Agent or the County within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Paying Agent and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the County commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment or supplement to the Resolution; and

(ix) All reports, notices and correspondence to be delivered under the terms of the Resolution.

Section 27. ***Approval of Official Statement and Miscellaneous Documents.*** The Board hereby ratifies and approves the distribution and use of the Preliminary Official Statement; authorizes and directs the County staff to prepare a final Official Statement for use in connection with the sale of the Bonds in substantially the form thereof presented to the Board at the meeting at which this Resolution is adopted, with such changes therein, if any, not inconsistent herewith, as are approved by the County; and authorizes and approves the execution of the Escrow Agreement, the DTC Blanket Letter of Representations and the Continuing Disclosure Undertaking. The Chairman of the Board is hereby authorized and directed to execute the final Official Statement and the Chairman of the Board, the County Clerk and Recorder and all other officers of the County are hereby authorized and directed to execute all documents and certificates necessary or desirable to effectuate the issuance of the Bonds and the transactions contemplated hereby.

Section 28. ***Ratification of Prior Actions.*** All actions heretofore taken (not inconsistent with the provisions of this Resolution or the Act) by the Board or by the officers and employees of the County directed toward the issuance of the Bonds for the purposes herein set forth,

including but not limited to approval of the Bond Purchase Agreement as authorized at the meeting of the Board on February 23, 2004, are hereby ratified, approved and confirmed.

Section 29. ***Events Occurring on Days That Are Not Business Days.*** Except as otherwise specifically provided herein with respect to a particular payment, event or action, if any payment to be made hereunder or any event or action to occur hereunder which, but for this section, is to be made or is to occur on a day that is not a Business Day shall instead be made or occur on the next succeeding day that is a Business Day.

Section 30. ***Limitation of Actions.*** In accordance with Section 11-57-212, C.R.S., no legal or equitable action can be brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds more than 30 days after the issuance or authorization of such securities, whichever occurs later

Section 31. ***Headings.*** The headings to the various sections and paragraphs to this Resolution have been inserted solely for the convenience of the reader, are not a part of this Resolution, and shall not be used in any manner to interpret this Resolution.

Section 32. ***Resolution Irrepealable.*** After any of the Bonds have been issued, this Resolution shall constitute a contract between the Owners and the County, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided.

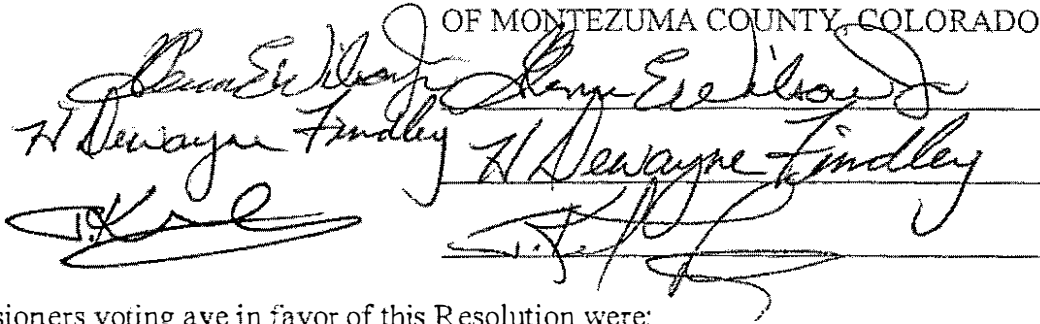
Section 33. ***Severability.*** It is hereby expressly declared that all provisions hereof and their application are intended to be and are severable. In order to implement such intent, if any provision hereof or the application thereof is determined by a court or administrative body to be invalid or unenforceable, in whole or in part, such determination shall not affect, impair or invalidate any other provision hereof or the application of the provision in question to any other situation; and if any provision hereof or the application thereof is determined by a court or administrative body to be valid or enforceable only if its application is limited, its application shall be limited as required to most fully implement its purpose.

Section 34. ***Repealer.*** All orders, bylaws, and resolutions of the County, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 35. *Effective Date.* This Resolution shall be in full force and take effect immediately upon its adoption.

This Resolution is adopted this 1<sup>st</sup> day of March 2004.

BOARD OF COUNTY COMMISSIONERS  
OF MONTEZUMA COUNTY, COLORADO

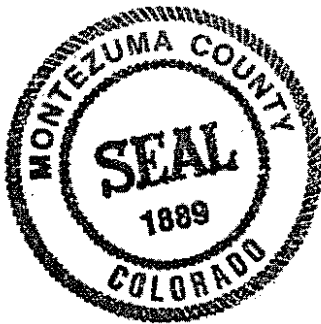
  
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Commissioners voting aye in favor of this Resolution were:

Glenn E. Wilson Jr., H. Newayne Findley and  
J. Kent Lindsay.

Commissioners voting no against this Resolution were:

\_\_\_\_\_, \_\_\_\_\_ and  
\_\_\_\_\_.



  
\_\_\_\_\_  
County Clerk and Recorder  
Montezuma County, Colorado

THE BOARD OF COUNTY COMMISSIONERS  
OF THE COUNTY OF MONTEZUMA  
STATE OF COLORADO

At a regular meeting of the Board of County Commissioners of Montezuma County, Colorado, duly convened and held the 19th day of January, 2004, with the following persons in attendance:

|                       |  |
|-----------------------|--|
| Commissioners:        | Dewayne Findley, Kent Lindsay, and<br>Glenn E. Wilson, Jr. |
| Commissioners Absent: |  |
| County Administrator: | Absent   |
| County Attorney:      | Bob Slough   |
| County Clerk:         | Nelda Jenkins, Deputy                                      |

the following proceedings, among others, were taken:

Resolution # 2-2004

WHEREAS, agriculture is a vital part of the economy of Montezuma County, and;

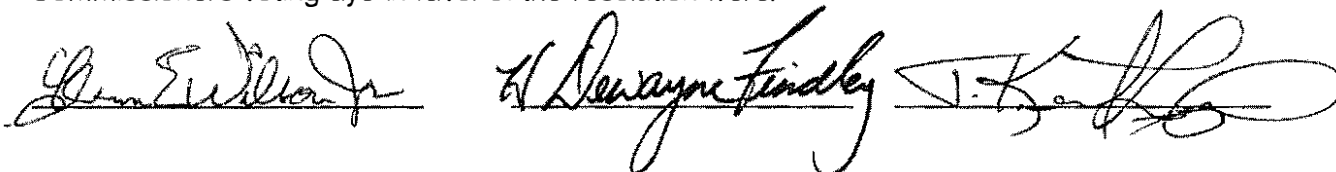
WHEREAS, grazing on public land is a significant part of the agricultural economy, and;

WHEREAS, the Bureau of Land Management has proposed new rules that pertain to improving the working relationship between grazing permittees and land managers, assessing and protecting rangelands, enhancement of administrative efficiency, and the elimination of some legal issues, and;

WHEREAS, the adoption of these proposed rules will make it easier for ranchers to stay on the land.

NOW THEREFORE BE IT RESOLVED by the Board of County Commissioners for Montezuma County, Colorado, that this resolution be submitted to the Bureau of Land Management in support of the proposed rules as attached hereto and made a part thereof.

Commissioners voting aye in favor of the resolution were:



Commissioners voting nay against the resolution were:

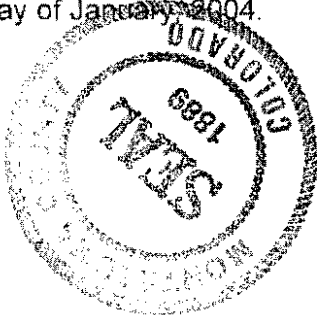
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County Clerk and Recorder  
Montezuma County, Colorado

I certify that the above Resolution is a true and correct copy of same as it appears in the minutes of the Board of County Commissioners of Montezuma County, Colorado and the votes upon same are true and correct.

Dated this 19th day of January, 2004.

(SEAL)



  
County Clerk and Recorder  
Montezuma County, Colorado



# FACTSHEET

## ON THE BLM'S PROPOSED GRAZING RULE

The proposed grazing rule of the Bureau of Land Management, to be published in the Federal Register on December 8, 2003, would revise existing Federal grazing regulations in the following ways under three categories of action.

### Improving Working Relationships with Grazing Permittees and Lessees

In this category, the proposed rule would:

- ensure that BLM managers consider and document the social, cultural, and economic consequences of decisions affecting grazing, consistent with the requirements of the National Environmental Policy Act (NEPA) of 1969.
- allow the BLM and a grazing permittee to share title of certain permanent range improvements -- such as a fence, well, or pipeline -- if they are constructed under what is known as a Cooperative Range Improvement Agreement (as was allowed prior to 1995).
- phase in grazing decreases (and increases) of more than 10 percent over a five-year period whenever possible, consistent with existing law and in full recognition of the BLM's authority to respond as necessary to drought, fire, and other resource conditions.
- expand the definition of "grazing preference" to include an amount of forage on public lands attached to a rancher's private "base" property, which can be land or water. This expanded definition, similar to one that existed from 1978 to 1995, when the "Rangeland Reform" rules took effect, makes clear that grazing preference has a quantitative meaning (forage amounts, measured in Animal Unit Months) as well as a qualitative one (precedence of position in the "line" for grazing privileges).

### Assessing and Protecting Rangelands

In this category, the proposed rule would:

- require assessments and monitoring of resource conditions to support BLM evaluations of whether an allotment is meeting rangeland health standards. Currently, these evaluations may be supported by documented observational assessments rather than by the more in-depth information collection procedures used in monitoring.
- extend to 24 months, from the current 12 months, the BLM's self-imposed deadline for initiating an appropriate course of action to make remedial changes in grazing practices that significantly contribute to an allotment's failure to meet rangeland health standards.
- remove the current three-consecutive-year limit on temporary non-use of a grazing permit by allowing livestock operators to apply for non-use for up to one year at a time, whether for conservation or business purposes.

### Addressing Legal Issues and Enhancing Administrative Efficiency

Under this category, the proposed rule would:

- eliminate, in compliance with Federal court rulings, existing regulatory provisions that allow the BLM to issue long-term "conservation use" permits.
- make clear how the BLM will authorize grazing if a Bureau decision affecting a grazing permit is "stayed" (postponed) pending administrative appeal.

- clarify that if a livestock operator is convicted of violating a Federal, state, or other law, and if the violation occurs while he is engaged in grazing-related activities, the BLM may take action against his grazing permit or lease only if the violation occurred on the BLM-managed allotment where the operator is authorized to graze.
- improve efficiency in the BLM's management of public lands grazing by reducing the occasions in which the Bureau is mandated to involve the interested public. Under this provision, the BLM could involve the public in such matters as day-to-day grazing administration, but would no longer be required to do so. The BLM would continue to involve the public in all major Bureau planning decisions, such as grazing allotment plans and land-use plans.
- provide flexibility to the Federal government in decisions relating to livestock water rights by removing the current requirement that the BLM seek sole ownership of these rights where allowed by state law.
- clarify that a biological assessment of the BLM, prepared in compliance with the Endangered Species Act, is not a decision of the Bureau and therefore is not subject to protests and appeals.
- and increase certain service fees to reflect more accurately the cost of grazing administration. (The fees apply to the BLM's issuance of livestock crossing permits, transfer of grazing preferences, and cancellation or replacement of grazing bills.)

The proposed rule would make no changes in rangeland health standards and guidelines that were developed by the BLM's Resource Advisory Councils under the "Rangeland Reform '94" rules that took effect in August 1995. The proposal would not establish forage reserves known as "Reserve Common Allotments," a concept that the BLM had been considering earlier this year, nor would the proposed rule allow grazing operators to temporarily lock gates on public lands (for such purposes as protecting livestock or private property), another idea that had been under the BLM's consideration.

In addition, the proposed rule would not affect the existing Resource Advisory Council system, in which the BLM receives advice and recommendations from 24 citizen-based Resource Advisory Councils across the West. Also, the proposal would make no changes in the way the Federal grazing fee is calculated, a formula established by Congress in 1978 that continues under a 1986 Presidential Executive Order.

Those interested in submitting comments about the proposed rule will have more than 60 days to do so; the deadline will be the same as that of the related Draft Environmental Impact Statement, which the BLM will publish later this month. Those submitting comments may do so by regular mail, personal or messenger delivery, or by electronic mail. For regular mail, the address is: Director (630), Bureau of Land Management, Eastern States Office, 7450 Boston Boulevard, Springfield, Virginia 22153, Attention: RMN 1004-AD42. For personal or messenger delivery, comments should go to the Bureau of Land Management, 1620 L Street, N.W., Suite 401, Washington, D.C. 20036. For electronic mail, the direct Internet response address is: [www.blm.gov/nhp/news/regulatory/index.htm](http://www.blm.gov/nhp/news/regulatory/index.htm) or [www.blm.gov/grazing](http://www.blm.gov/grazing). Alternatively, comments may be e-mailed to [WOCComment@blm.gov](mailto:WOCComment@blm.gov).

THE BOARD OF COUNTY COMMISSIONERS  
OF THE COUNTY OF MONTEZUMA  
STATE OF COLORADO

At a regular meeting of the Board of County Commissioners of Montezuma County, Colorado, duly convened and held the 5<sup>th</sup> day of January, 2004, with the following persons in attendance:

Commissioners: Dewayne Findley, Kent Lindsay, and  
Glenn E. Wilson, Jr.  
Commissioners Absent:  
County Administrator: Thomas J. Weaver  
County Attorney: Bob Slough  
Clerk and Recorder: Carol Tullis, *Nelda Jenkins Deputy Clerk*

the following proceedings, among others, were taken:

Resolution # 1-2004

WHEREAS, Montezuma County adopted an operating budget for the General Fund, Road and Bridge Fund and Landfill Fund in December, 2002, for the ensuing year, and;

WHEREAS, Montezuma County after adoption of the 2003 budget, received unanticipated revenues or revenues not assured at the time of the adoption of the budget other than the local government's property tax mill levy;

NOW THEREFORE BE IT RESOLVED that the Board of County Commissioners of Montezuma County, Colorado, the governing board, may authorize the expenditure of such funds by enacting a supplemental budget and appropriation as follows;

|                |             |
|----------------|-------------|
| GENERAL FUND   | \$23,117.00 |
| Clerk          | 314.00      |
| Administration | 12,150.00   |
| Elections      | 10,653.00   |

Commissioners voting aye in favor of the resolution were:

*Glenn E. Wilson, Jr.* *Kent Lindsay* *Dewayne Findley*

Commissioners voting nay against the resolution were:

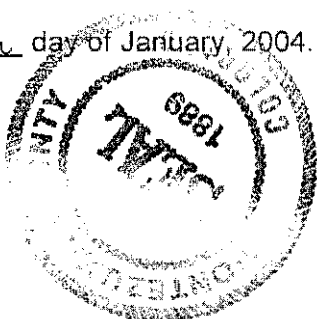
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*Nelda Jenkins, Deputy*  
County Clerk and Recorder  
Montezuma County, Colorado

I certify that the above Resolution is a true and correct copy of same as it appears in the minutes of the Board of County Commissioners of Montezuma County, Colorado and the votes upon same are true and correct.

Dated this 5th day of January, 2004.

(SEAL)



*Nelda Jenkins, Deputy*  
County Clerk and Recorder  
Montezuma County, Colorado