

TOWN OF BERTHOUD, COLORADO

RESOLUTION NO. 16-99

A RESOLUTION DECLARING THE OFFICIAL INTENT OF THE TOWN OF BERTHOUD, COLORADO, TO ISSUE ITS INDUSTRIAL DEVELOPMENT REVENUE BONDS FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING AND EQUIPPING MANUFACTURING FACILITIES.

WHEREAS, the Town of Berthoud, Colorado (the "Town"), acting by and through its Board of Trustees (the "Board"), is authorized by the provisions of part 1 of article 3 of title 29, Colorado Revised Statutes, as amended (the "Act"), to finance, refinance, acquire, own, lease, improve and dispose of properties to the end that more adequate facilities for manufacturing may be provided, and the Town is further authorized thereby to issue revenue bonds for the purpose of defraying the costs of financing, refinancing, acquiring, improving and equipping such facilities; and

WHEREAS, Summitcrest Homes, Inc. (the "Company"), proposes to acquire, improve and equip facilities (the "Project"), on property adjacent to its existing manufacturing plant in the Town; and

WHEREAS, the Company has represented to the Town that the Project will qualify as a "project" within the meaning of the Act; and

WHEREAS, the Company has requested the Town to issue and sell its revenue bonds (the "Bonds") pursuant to the provisions of the Act for the purpose of financing the Project; and

WHEREAS, the Town considers that the financing of the Project will provide more additional manufacturing facilities and will promote the public health, welfare and safety of the Town and its citizens; and

WHEREAS, prior to the issuance of the Bonds the Town must consider and approve by resolution the final details of the Bonds and must authorize and approve, subject to the conditions of this Resolution, all acts and the execution of all documents and instruments necessary or desirable in connection with the issuance thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF BERTHOUD, COLORADO, THAT:

Section 1. The Board hereby declares its official intent pursuant to Treasury Regulation § 1.150-2 to issue the Bonds, subject to the terms hereof, and that the adoption of this Resolution is and constitutes the taking of affirmative official action by the Town, acting by and through the Board, toward the issuance of the Bonds.

Section 2. In order to insure the completion of the Project and the public benefit which is expected from the operation thereof, the Town, subject to the terms and conditions hereof, will issue the Bonds pursuant to the provisions of the Act in an aggregate principal amount necessary to pay the cost of financing the Project, together with the costs incident to the authorization, issuance and sale of the Bonds, which Bonds are expected to be in the aggregate principal amount of not more than \$7,000,000.

Section 3. The Bonds will bear such interest rate or rates, be in such denominations, bear such date or dates, mature or become payable on such date or dates, be in such form, carry such registration privileges, be executed in such manner, be payable in such manner and be subject to such terms of redemption or prepayment consistent with the Act as may be authorized and approved by resolution of the Board adopted prior to the issuance of the Bonds.

Section 4. Any mortgage, trust indenture, deed of trust, lease, sublease, installment purchase agreement, loan agreement, security agreement, rental agreement, option to purchase or other agreement or security device, or any combination thereof, entered into in connection with the financing of the Project (the "Financing Agreements") and any other documents relating to the Project and the Bonds will also be authorized and approved prior to the issuance of the Bonds.

Section 5. The proceeds of the Bonds will be used to finance the Project. The major components of the Project are described in Exhibit A hereto.

Section 6. The Town will enter into mutually agreeable Financing Agreements with the Company with respect to the Project as more fully described herein.

Section 7. The entire cost of financing the Project will be paid from the proceeds of the sale of the Bonds or from other Company funds. None of the Bonds will be general obligations of the Town. Neither will any of the Bonds, including interest thereon, constitute a debt or indebtedness or a multiple-fiscal year financial obligation of the Town within the meaning of any provision or limitation of the Constitution or statutes of the State of Colorado (the "State") or give rise to a pecuniary liability of the Town or a charge against its general credit or taxing powers. The Bonds will be payable solely from and secured by a pledge of the revenues derived from and payable pursuant to the Financing Agreements.

Section 8. Pending the issuance of the Bonds, the Company may finance the Project with other funds that will be reimbursed with the proceeds of the Bonds, provided that (a) the Bonds will not be used to reimburse any expenditure paid more than 60 days prior to the present date; (b) the Bonds will not be issued more than 18 months after the later of (i) the date of the first expenditure to be reimbursed with the proceeds of the Bonds or (ii) the date the Project is placed in service; and (c) in no event may the Bonds be issued more than three years after the date of the first expenditure to be reimbursed with the proceeds of the Bonds; and

provided further that the limitations of this Section 8 will not apply to qualified "preliminary expenditures" as permitted by Treasury Regulation § 1.150-2(f).

Section 9. Inasmuch as the Company may wish to finance concurrently with the issuance of the Bonds other similar projects located in other counties within the State, the Town will pursuant to the authority of this Resolution and by written agreement delegate to, or accept delegation from, any other county within the State the authority to issue the Bonds or other similar bonds as contemplated by the Act at any time so long as this Resolution remains in effect in order to permit the Company to finance the Project and such other projects as efficiently as possible.

Section 10. Nothing contained in this Resolution shall constitute a debt or indebtedness or a multiple-fiscal year financial obligation of the Town within the meaning of the Constitution or statutes of the State or give rise to a pecuniary liability of the Town or a charge against its general credit or taxing powers.

ADOPTED this 13th day of July, 1999.

TOWN OF BERTHOUD, COLORADO

(TOWN)
(SEAL)


Mayor

ATTEST:

Mary K. Cowdin
Town Clerk

Exhibit A

The project to be financed with the bond proceeds consists of the construction and equipping of (a) an approximately 143,000 square foot building located in Berthoud, Colorado for the production of single-wide and double-wide manufactured homes and (b) a 15,000 square foot frame shop. The project will be located on an approximately 30 acre parcel with an existing 70,000 square foot facility that also produces manufactured homes.