

ORDINANCE NO. 516

AN ORDINANCE RATIFYING AND APPROVING A LOAN AGREEMENT DATED  
FEBRUARY 1, 1934, BETWEEN THE CITY OF GRAND JUNCTION, COUNTY OF MESA,  
STATE OF COLORADO, AND THE UNITED STATES OF AMERICA, AND  
AUTHORIZING ITS EXECUTION

WHEREAS, the City of Grand Junction, in the County of Mesa and State of Colorado, has heretofore applied to the United States of America for a loan and grant under the provisions of the National Industrial Recovery Act, approved June 16, 1933; and

WHEREAS, such application has been accepted by the Federal Emergency Administration of Public Works, and a loan Agreement dated as of February 1, 1934, between the City of Grand Junction, Mesa County, Colorado (therein called the "Borrower") and the United States of America (therein called the "Government") has been submitted to the city for approval; Section 1 of Part Two of said loan agreement reading as follows:

"Within a reasonable time after the receipt of the Agreement, the Borrower shall adopt an ordinance setting forth the Agreement in full, approving the same, and authorizing and directing the execution thereof by the official or officials designated to sign the same on the Borrower's behalf. Promptly thereupon, the Borrower shall cause such official or officials to sign the Agreement."

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO:

Section 1. That the loan agreement dated as of February 1, 1934, between the City of Grand Junction, Colorado, and the United States of America, be and the same is hereby in all respects ratified and approved; said loan agreement being in words and figures as follows, to-wit:

LOAN AGREEMENT dated as of Feb. 1, 1934, between CITY OF GRAND JUNCTION, COUNTY OF MESA, STATE OF COLORADO, (herein called the "Borrower"), and the UNITED STATES OF AMERICA (herein called the "Government").

PART ONE

GENERAL PROVISIONS

1. Amount of Loan and Grant, Purchase Price and Purpose.

Subject to the terms and conditions of this Agreement, the Borrower will sell and the Government will purchase \$60,000 aggregate principal amount of the bonds, (herein called the "Bonds"), of the Borrower, at 100 percentum of the principal amount thereof, plus accrued interest, and, in addition to the amount of Bonds to be purchased, the Government will make a grant (herein called the "Grant"), to the Borrower of not to exceed 30 percentum

of the cost of the labor and materials employed upon the project as herein described, but such Grant together with the aggregate principal amount of the Bonds purchased, and any other funds, (herein called "Other Funds"), received directly or indirectly from the Government or any agency or instrumentality thereof to be used to aid in financing the construction of the Project, shall not exceed in aggregate amount the difference between the total cost of the Project and funds (herein called "Borrower's Funds") to be supplied by the Borrower, and in no event shall such aggregate amount exceed \$87,500, (except for such payment, if any, as may be made under the provisions of Paragraph 11, PART TWO, hereof), the proceeds derived from the sale of the Bonds and the amount paid on account of the Grant, (except for such payment, if any, as may be made under the provisions of Paragraph 11, PART TWO, hereof), to be used for the construction by the Borrower of a concrete lined settling and storage basin, with a capacity of 8,000,000 gallons (herein called the "Project") and for other and incidental purposes; all pursuant to the Borrower's application, (herein called the "Application"), P.W.A. Docket No. 1045, the proceedings authorizing the issuance of the Bonds, Title 11 of the National Industrial Recovery Act, (herein called the "Act"), approved June 16, 1933, the Constitution and Statutes of the State of Colorado and the Charter of the Borrower including particularly:

Constitution of the State of Colorado, Article XI, Section 8, and Article XX, Sections 1 and 6.

Charter of the City of Grand Junction, Article 1, Section 2 (d).

2. Description of Bonds.

(a) Designation. Grand Junction Water Works Reservoir Bond.

(b) Authorized Principal Amount. \$60,000.

(c) Type. Negotiable general obligation coupon bond.

(d) Registration. Registerable at the option of the holder as to principal only or as to both principal and interest.

(e) Date. April 1, 1934.

(f) Interest. 4 per cent per annum, payable semi-annually on April 1 and October 1 of each year.

(g) Maturities. The Bonds shall mature on April 1 of each of the following years in the following amounts.

YEAR	AMOUNT	YEAR	AMOUNT
1935	\$3,000	1945	\$3,000

1936	3,000	1946	3,000
1937	3,000	1947	3,000
1938	3,000	1948	3,000
1939	3,000	1949	3,000
1940	3,000	1950	3,000
1941	3,000	1951	3,000
1942	3,000	1952	3,000
1943	3,000	1953	3,000
1944	3,000	1954	3,000

(h) Security. General obligations of the Borrower, payable as to both interest and principal from ad valorem taxes, which may be levied without limitation as to rate or amount on all taxable property within the territorial limits of the Borrower, and from the net income of the Water System of the Borrower.

(i) Place and Medium of Payment. At the office of the City Treasurer City of Grand Junction, State of Colorado, or (at the option of the holder) at an bank or trust company in the Borough of Manhattan, City and State of New York in such funds as are, on the respective dates of payment of the principal of and interest on the Bonds, legal tender for debts due the United States of America,

(j) Denomination. \$1,000.

3. Form, Text and Sample of Bond. The Bonds shall be in form and text satisfactory to the Legal Division of the Federal Emergency Administration of Public Works, (herein called "Counsel for the Government"), Before the Bonds are prepared, the Borrower shall submit a sample or specimen bond (with coupons) for approval by Counsel for the Government.

4. Method of Taking Up Bonds. The Bonds shall be taken and paid for in blocks from time to time as funds are needed for the Project, or the entire issue may be taken up and paid for by the Government at one time, in the discretion of the Finance Division of the Federal

Emergency Administration of Public Works, (herein called the "Finance Division").

5. Amount of Bonds to be Taken Up. The Government shall be under no obligation to take up and pay for Bonds beyond the amount which, together with Other Funds, and the amount to be paid to the Borrower on account of the Grant as provided in this Agreement, shall be necessary, in the judgment of the Engineering Division of the Federal Emergency Administration of Public Works (herein called the "Engineering Division"), to complete the Project. In case any of the Bonds are sold to purchasers other than the Government, the principal amount of Bonds which the Government is obliged to take up and pay for shall be correspondingly reduced.

6. Deposit of Bond Proceeds and Grant and Borrower's Funds: Retirement Fund. The Borrower shall pay all accrued interest which it receives from the sale of the Bonds at the time of the payment therefor and any payment which may be made on account of the Grant under the provisions of Paragraph 11, PART TWO, hereof, into an interest and bond retirement fund account promptly upon the receipt of such accrued interest or such payment on account of the Grant. It will deposit the remaining proceeds from the sale of the Bonds, all Grant payments which are made under the provisions of Paragraph 8, PART TWO, hereof, and any grant payments which may be made under the provisions of Paragraph 10, PART TWO, hereof, promptly upon the receipt of such proceeds or payments, in a bank or banks which are members of the Federal Reserve System, in a special account or accounts, (herein called the "Special Accounts"). Each of the Special Accounts shall be continuously secured by a pledge to the Borrower of direct obligations of the United States of America having an aggregate market value, exclusive of accrued interest, at all times at least equal to the balance on deposit in such Special Account. The obligations securing the Special Accounts shall be deposited with the Borrower or shall be held by a trustee or agent satisfactory to the Finance Division, provided that the trust or agency agreement is satisfactory to Counsel for the Government. Provided, however, that at the option of the Finance Division such Special Accounts may be secured by a surety bond, or bonds, which shall be in form, sufficiency and substance satisfactory to Counsel for the Government. Provided, however, that as a condition precedent to any obligation of the Government under this Agreement, the Borrower shall deposit or shall satisfy the Finance Division that it will deposit in the Special Accounts Borrower's Funds in the amount of \$12,500 or such lesser amount as the Engineering Division may determine or satisfy the Engineering Division that reasonable expenditures of such amount or such portion thereof as shall not be so deposited have been made on the Project, in a manner satisfactory to Counsel for the Government.

7. Disbursement of Funds in Special Accounts. The Borrower shall expend the funds in such special Accounts only for such purposes as shall have been previously specified in certificates accompanying the requisitions for such funds filed with the Government and approved by Counsel for the Government. Any balance or balances remaining unexpended in such Special Accounts after the completion of the Project which are not required to meet unpaid obligations incurred in connection with the construction of the Project shall be paid into the interest and bond retirement fund account, referred to in Paragraph 6, PART ONE, hereof, and, together with the accrued interest received from the sale of the Bonds at the

time of the payment therefor, shall be used solely for the payment of interest on and the principal of the Bonds, or said unexpended balance or balances may be used for the purchase of such of the Bonds as are then outstanding at a price, (exclusive of accrued interest), not exceeding the par value thereof. Any Bonds so purchased shall be cancelled and no additional bonds shall be issued in lieu thereof. Such Bonds, when cancelled, shall be submitted to the Government for recording.

## PART TWO

1. Approval of Agreement. Within a reasonable time after the receipt of the Agreement, the Borrower shall adopt an ordinance setting forth the Agreement in full, approving the same, and authorizing and directing the execution thereof by the official or officials designated to sign the same on the Borrower's behalf. Promptly thereupon, the Borrower shall cause such official or officials to sign the Agreement.

2. Preliminary Proceedings by Borrower. When the Agreement has been signed on behalf of the Borrower, the Borrower shall promptly:

(a) Send to the Government three signed counterparts of the Agreement and a certified copy of the ordinance adopted by the Borrower pursuant to Paragraph 1, PART TWO, hereof, together with certified extracts of the minutes pertaining to its adoption and any papers, certificates and other documents which may be requested by Counsel for the Government;

(b) Retain municipal bond counsel satisfactory to the Finance Division to assist the Borrower in the proceedings relative to the authorization, issuance and sale of the Bonds, and to give such legal opinions relative thereto as may be requested by Counsel for the Government;

(c) Submit to the Government plans, drawings, and specifications of the work and materials to be employed upon the Project; the latest data as to the expected cost of the Project; a statement as to when and how it is proposed to advertise for bids and to let contracts for the work or for the use of equipment by the Borrower; an estimate as to the amount of money that will be needed at the time of the sale of the Bonds; and any other details or data that may be requested by the Engineering Division;

(d) Submit to the Government all such authorizations, permits, licenses and approvals from Federal, State, County, Municipal and other authorities as Counsel for the Government may deem advisable then to be obtained in connection with the Project or the Bonds;

(e) Take all the proceedings necessary for the authorization and issuance of the Bonds, including (but without limitation) the submission of the question of issuing the Bonds at a duly called election of the qualified electors of the Borrower.

3. First Bond Requisition. As soon as the provisions of Paragraph 2, PART TWO, hereof, shall have been complied with to the satisfaction of Counsel for the Government, the

Borrower will file with the Government a requisition requesting the Government to take up and pay for such amount of the Bonds as, together with Other Funds and Borrower's Funds, will provide sufficient funds for the construction of the Project for a reasonable period (or, in the discretion of the Finance Division, a requisition to take up and pay for the entire amount thereof at one time), specifying the principal amount, serial numbers and maturities (which maturities shall be satisfactory to the Finance Division) of the Bonds of such block and the date when it is desired to complete the delivery thereof (which date shall not be earlier than ten days after the Government's receipt of such first Bond Requisition, unless otherwise satisfactory to Counsel for the Government), the first Bond requisition to be accompanied by a complete transcript of all bond proceedings to date, together with such certificates, forms, opinions, letters, statements and other documents as may be requested by Counsel for the Government.

4. First Bond Payment. If the first Bond requisition and the documents accompanying the same are satisfactory in form, sufficiency and substance to Counsel for the Government, then, subject to the terms and conditions of this Agreement, upon reasonable notice to the Borrower, and within a reasonable time after the receipt by the Government of the first Bond requisition, the Government will arrange to take up and pay for such amount of the Bonds as, together with Other Funds and Borrower's Funds, will provide, in the judgment of the Engineering Division, sufficient funds for the construction of the Project for a reasonable period, or, in the judgment of the Finance Division, the entire amount of the Bonds, the first Bond payment to be made at the Denver Branch of the Federal Reserve Bank of Kansas City, Denver, Colorado, (herein called the "Reserve Bank") or at such other place or places as Counsel for the Government may designate, against delivery by the Borrower of such Bonds, (having all unmatured coupons attached), together with such documents as may be requested by and which shall be in form, sufficiency and substance as theretofore approved by Counsel for the Government.

5. Subsequent Bond Requisitions. Unless all of the Bonds shall have been previously delivered and paid for, from time to time, after the first Bond payment, but not oftener than once a month, (unless otherwise satisfactory to the Engineering Division), the Borrower will file a requisition with the Government requesting the Government to take up and pay for an additional block of the Bonds of such amount, as together with Borrower's Funds, Other Funds, and such portion, if any, of the Grant, requested simultaneously with such Bond requisition, will provide sufficient funds for the construction of the Project for a reasonable period, specifying the principal amount, serial numbers and maturities, (which maturities shall be satisfactory to the Finance Division), of the Bonds included in such block and the date when it is desired to complete the delivery thereof, (which date shall be not earlier than ten days after the Government's receipt of such Bond requisition, unless otherwise satisfactory to Counsel for the Government), each Bond requisition to be accompanied by such documents as may be requested by Counsel for the Government.

6. Subsequent Bond Payments. If a Bond requisition and the documents accompanying the same are satisfactory in form, sufficiency and substance to Counsel for the Government, then, subject to the terms and conditions of this Agreement, upon reasonable notice to the Borrower, and within a reasonable time after the receipt by the Government of such Bond

requisition, the Government will arrange to take up and pay for such additional amount of the Bonds as, together with Borrower's Funds, Other Funds, and such portion, if any, of the Grant, paid simultaneously with the payment for such amount of the Bonds, will provide, in the judgment of the Engineering Division, sufficient funds for the construction of the Project for a reasonable period, each Bond payment to be made at the Reserve Bank or at such other place or places as Counsel for the Government may designate, against delivery of such block of Bonds, (having all unmatured coupons attached), together with such documents as may be requested by and which shall be in form, sufficiency and substance as theretofore approved by Counsel for the Government.

7. Grant Requisitions. The Borrower may at any time after the execution of this Agreement but not oftener than once a week, file a requisition requesting the Government to make a payment to the Borrower on account of the Grant, each Grant requisition to be accompanied by such documents as may be requested by Counsel for the Government.

8. Grant Payments. If a Grant requisition and the documents accompanying the same are satisfactory in form, sufficiency and substance to Counsel for the Government, then, subject to the terms and conditions of this Agreement, upon reasonable notice to the Borrower, and within a reasonable time after the receipt by the Government of such Grant requisition (but not earlier than ten days after the receipt thereof, unless otherwise satisfactory to Counsel for the Government), the Government will pay to the Borrower a sum of money, which, together with all previous Grant payments, and Other Funds, shall be equal in aggregate amount to 25 percentum of the cost of the labor and materials shown to have been employed upon the Project to a date not later than the date of such Grant requisition; provided, however, that such Grant payment, together with all previous Grant payments, Borrower's Funds, Other Funds, and the amount paid for the Bonds shall not exceed in aggregate amount the total cost of the Project, and in no event shall such Grant payment, together with all previous Grant payments and Other Funds, exceed in aggregate amount the sum of \$22,900; each Grant payment to be made at the Reserve Bank or at such other place or places as Counsel for the Government may designate, against delivery by the Borrower of its receipt therefor.

9. Final Grant Requisition. Within a reasonable time after the Project has been completed and all costs incurred in connection therewith have been determined, the Borrower may file a requisition with the Government requesting the Government for the final portion of the Grant, the final Grant requisition to be accompanied by such documents as may be requested by Counsel for the Government.

10. Final Grant Payment. If the final Grant requisition and the documents accompanying the same are satisfactory in form, sufficiency and substance to Counsel for the Government, then, subject to the terms and conditions of this Agreement, upon reasonable notice to the Borrower, and within a reasonable time after the receipt by the Government of the final Grant requisition (but not earlier than ten days after the receipt thereof, unless otherwise satisfactory to Counsel for the Government), the Government will pay to the Borrower a sum of money, which, together with all previous Grant payments, and Other Funds, shall be equal in aggregate amount to 30 percentum of the cost of the labor and materials employed

upon the Project; provided, however, that the final Grant payment, together with all previous Grant payments, Borrower's Funds, Other Funds, and the amount paid for the Bonds shall not exceed in aggregate amount the total cost of the Project, and in no event shall the final Grant payment, together with all previous Grant payments and Other Funds, exceed in aggregate amount the sum of \$27,500; the final Grant payment to be made at the Reserve Bank or at such other place or places as Counsel for the Government may designate, against delivery by the Borrower of its receipt therefor.

11. Cancellation of Bonds. If the Borrower, within a reasonable time after the completion of the Project, shall have filed the final Grant requisition with the Government, and if the documents accompanying the same are satisfactory in form, sufficiency and substance to Counsel for the Government, then, in addition to the Grant payments made under the provisions of Paragraphs 8 and 10, PART TWO, hereof, the Government will cancel, in so far as possible, and in such order as may be satisfactory to the Finance Division, Bonds and/or coupons in an aggregate amount equal to the amount, if any, by which 30 percentum of the cost of the labor and materials employed upon the Project exceeds the aggregate of all such Grant payments and Other Funds; and for such reasonable time and to this end, the Government will hold Bonds in the amount necessary to effectuate the purpose and intent of this Paragraph, unless payment of such excess shall have been otherwise provided for by the Government.

### PART THREE

#### CONSTRUCTION CONTRACTS

#### IN CONSIDERATION OF THE GRANT, THE BORROWER COVENANTS THAT:

1. Construction Contracts. All construction contracts made by the Borrower and all subcontracts for work on the Project shall be subject to the rules and regulations adopted by the Government to carry out the purposes and control the administration of the Act, and shall contain provisions appropriate to insure that:

(a) Convict Labor. No convict labor shall be employed on the Project, and no materials manufactured or produced by convict labor shall be used on the Project.

(b) Thirty-Hour Week. Except in executive, administrative and supervisory positions, so far as practicable and feasible in the judgment of the Government, no individual directly employed on the Project shall be permitted to work more than thirty hours in any one week, or, except in cases of emergency, on any Sundays or legal holidays; but in accordance with rules and regulations from time to time made by the Government, this provision shall be construed to permit working time lost because of inclement weather or unavoidable delays in any one week to be made up in the succeeding twenty days.

(c) Wages.

(1) All employees shall be paid just and reasonable wages which shall be compensation



sufficient to provide, for the hours of labor as limited, a standard of living in decency and comfort;

(2) All contracts and subcontracts shall further prescribe such minimum wage rates for skilled and unskilled labor as may be determined by the Government and shall be subject to all rules and regulations which the Government may promulgate in connection therewith. Such minimum rates, if any, shall also be stated in all proposals of bids submitted including those of subcontractors; and a clearly legible statement of all wage rates to be paid the several classes of labor employed on the work shall be posted in a prominent and easily accessible place at the site of the work. All contractors shall keep a true and accurate record of the hours worked by and the wages paid to each employee and shall furnish the Government with sworn statements thereof on demand.

(3) All employees shall be paid in full not less often than once each week and in lawful money of the United States of America in the full amount accrued to each individual at the time of closing of the payroll, which shall be at the latest date practicable prior to the date of payment, and there shall be no deductions on account of goods purchased, rent, or other obligations, but such obligations shall be subject to collection only by legal process.

(d) Labor Preferences. Preference shall be given where they are qualified, to ex-service men with dependents, and then in the following order:

(1) To citizens of the United States and aliens who have declared their intention of becoming citizens, who are bona fide residents of the City of Grand Junction and/or County of Mesa, State of Colorado, and,

(2) To citizens of the United States and aliens who have declared their intention of becoming citizens, who are bona fide residents of the State of Colorado provided, that these preferences shall apply only where such labor is available and qualified to perform the work to which the employment relates.

(e) Employment Services. To the fullest extent possible, labor required for the Project and appropriate to be secured through employment services, shall be chosen from lists of qualified workers submitted by local employment agencies designated by the United States Employment Service, provided however, that organized labor, skilled and unskilled, shall not be required to register at such local employment agencies but shall be secured in the customary ways through recognized union locals. In the event, however, that qualified workers are not furnished by the union locals within 48 hours (Sundays and holidays excluded) after request is filed by the employer, such labor may be chosen from lists of qualified workers submitted by local employment agencies designated by the United States Employment Service. In the selection of workers from lists prepared by such employment agencies and union locals, the labor preferences provided in Sub-Paragraph (d) Supra, shall be observed in accordance with such rules and regulations as the Government may prescribe.

(f) Human Labor. In accordance with such rules and regulations as the Government may

prescribe, the maximum of human labor shall be used in lieu of machinery wherever practicable and consistent with sound economy and public advantage; and to the extent that the work may be accomplished at no greater expense by human labor than by the use of machinery, and labor of requisite qualifications is available, such human labor shall be employed.

(g) Accident Prevention. Every construction contract for work on the Project shall contain an undertaking to comply with all applicable provisions of the laws and building and construction codes of the State, Territory, District and/or municipality in which the work is done and with any regulations for the protection of workers which may be promulgated by the Government.

(h) Compensation Insurance. Every construction contract for work on the Project shall contain a provision requiring the employer to furnish compensation insurance for injured workers and to give proof of such adequate insurance satisfactory to the Government.

(i) Persons Entitled to Benefits of Labor Provisions. Every person who performs the work of a laborer or of a mechanic on the Project, or any part thereof, shall be entitled to the benefits of the labor and wage provisions hereof, regardless of any contractual relationship between the contractor or subcontractor and such laborer or mechanic. There shall be no discrimination in the selection of labor on the ground of race, creed or color.

(j) Bonding of Contracts. Construction contracts shall be supported by adequate surety or other bonds or security satisfactory to the Government for the protection of labor and material men employed on the Project or any part thereof.

(k) Materials. So far as articles, materials, and supplies produced in the United States are concerned, only articles, materials and supplies produced under codes of fair competition adopted pursuant to the provisions of Title 1 of the Act, or under the President's Reemployment Agreement, shall be used in work on the Project, except when the Government determines that this requirement is not in public interest or that the consequent cost is unreasonable. So far as feasible and practicable, and subject to the above, preference shall be given to the use of locally produced materials if such use does not involve higher cost, inferior quality or insufficient quantity, subject to the determination of the Government; but there shall be no requirement providing price differentiations for or restricting the use of materials to those produced within the Nation or State.

(l) Inspection and Records. The Government, through its authorized agents shall have the right to inspect all work as it progresses and shall have access to all pay rolls, records of personnel, invoice of materials, and other data relevant to the performance of the contract.

(m) Reports. Subject to such rules and regulations as the Government may prescribe, contractors and subcontractors shall make reports in triplicate to the Government monthly within five days after the close of each calendar month on forms to be furnished by the United States Department of Labor, which reports shall include the number of persons on their pay rolls, the aggregate amount of the pay rolls, the man hours worked, wage scales

paid to various classes of labor and the total expenditures for materials. The contractors shall also furnish to the Government the names and addresses of all subcontractors at the earliest date practicable.

(n) Compliance with Title 1 of the Act. All contractors and subcontractors must comply with the conditions prescribed in Sections 7 (a) (1) and 7 (a) (2) of Title 1 of the Act.

2. Restriction as to Contractors. No contract shall be let to any contractor or subcontractor who has not signed and complied with the applicable approved code of fair competition adopted under Title 1 of the Act for the trade or industry or subdivision thereof concerned, or, if there be no such approved code, who has not signed and complied with the provisions of the President's Reemployment Agreement.

3. Termination for Breach. The Borrower will enforce compliance with all the provisions of this part of this Agreement, and, as to any work done by it in connection with the construction of the Project, will itself comply therewith. All construction contracts shall provide that in any such provisions are violated by any contractor or subcontractor, the Borrower may, with the approval of the Government, and shall at the request of the Government, terminate by written notice to the contractor or subcontractor the contract of such contractor or subcontractor, and have the right to take over the work and prosecute the same to completion by contract or otherwise and such contractor or subcontractor and his sureties shall be liable for any excess cost occasioned thereby and/or, if so requested by the Government, the Borrower shall withhold from such contractor or subcontractor so much of the compensation due to him as may be necessary to pay to laborers or mechanics the difference between the rate of wages required by the contract and the rate of wages actually paid to the laborers and mechanics.

4. Force Labor. Provided, however, that if prices in the bids are excessive, the Borrower reserves the right, anything in this Agreement to the contrary notwithstanding, to apply to the Government for permission to do all or any part of the Project by day labor, upon such conditions as the Government may impose, with the understanding that all provisions in this Agreement, including those relating to labor, wages, hours and recruitment, shall be observed.

#### PART FOUR

1. Construction of Project. Upon receiving a Bond payment under the provisions of Paragraph 4, PART TWO, hereof, the Borrower will promptly commence or cause to be commenced the construction of the Project (unless such construction has already been commenced), and the Borrower will thereafter continue such construction or cause it to be continued to completion with all practicable dispatch, in an efficient and economical manner, at a reasonable cost, and in accordance with the provisions of this Agreement as to the labor and materials to be employed upon the Project, and the plans, drawings, specifications and construction contracts which, except for subcontracts, shall be in form satisfactory to the Engineering Division, and in accordance with such engineering supervision and inspection as the Government or its representatives may require. Except

with the prior written consent of Counsel for the Government, no materials or equipment for the Project shall be purchased by the Borrower subject to any chattel mortgage or any conditional sale or title retention agreement,

2. Completion of Project. Upon the completion of the Project the Borrower will furnish to the Government a certificate of the Borrower's engineers certifying to such completion, to the total cost of the Project and to such other matters as the Engineering Division may request, such certificate to be accompanied by such data as the Engineering Division may request.

3. Information. During the construction of the Project the Borrower will furnish to the Government all such information and data as the Engineering Division may request as to the construction, cost and progress of the work. The Borrower will furnish to the Government and to any purchaser from the Government of 25 percentum of the Bonds, such financial statements and other information and data relating to the Borrower and the Project as the Finance Division or any such purchaser from time to time may reasonably require.

4. Conditions Precedent to the Government's Obligations. The Government shall be under no obligation to pay for any of the Bonds or to make any Grant:

(a) Cost of Project. If the Engineering Division shall not be satisfied that the Borrower will be able to construct the Project within the cost estimated at the time when the Application was approved by the Government, such estimated cost being the amount of \$100,000, unless, in the event that additional funds appear to the Engineering Division to be necessary in order to pay in full the cost of the construction of the Project, the Finance Division shall be satisfied that the Borrower will be able to obtain such funds, as needed, through additional borrowing or otherwise, in a manner satisfactory to Counsel for the Government;

(b) Compliance. If the Borrower shall not have complied, to the satisfaction of Counsel for the Government, with all the provisions contained or referred to in this Agreement and in the proceedings authorizing the issuance of the Bonds, theretofore to be complied with by the Borrower;

(c) Popular Vote. If the issue of the Bonds shall not first have been approved by a majority vote of the qualified electors at a duly called and held general or special municipal election;

(d) Legal Matters. If Counsel for the Government shall not be satisfied as to all other legal matters and proceedings affecting the Bonds, the security therefor or the Project;

(e) Representation. If any representation made by the Borrower in this Agreement or in the Application or in any supplement thereto or amendment thereof, or in any document submitted to the Government by the Borrower shall be found by Counsel for the Government to be incorrect or incomplete in any material respect;

(f) Financial Condition. If, in the judgment of the Finance Division, the financial condition of the Borrower shall have changed unfavorably in a material degree from its condition as

theretofore represented to the Government.

5. Representations and Warranties. The Borrower represents and warrants as follows:

(a) Authorizations. All necessary authorizations, permits, licenses and approvals from Federal, State, county, municipal and other authorities in connection with the Project or the Bonds have been or will be obtained;

(b) Litigation. No litigation or other proceedings are now pending or threatened which might adversely affect the Bonds, the construction and operation of the Project, or the financial condition of the Borrower;

(c) Financial Condition. The character of the assets and the financial condition of the Borrower are as favorable as at the date of the Borrower's most recent financial statement, furnished to the Government as a part of the Application, and there have been no changes in the character of its assets or in its financial condition except such changes as are necessary and incidental to the ordinance and usual conduct of the Borrower's affairs;

(d) Fees and Commissions. No fee or commission has been or will be paid by the Borrower or any of its officers, employees, agents or representatives, and no agreement to pay a fee or commission has been or will be entered into by or on behalf of the Borrower, or any of its officers, employees, agents or representatives, in order to secure the loan and/or Grant hereunder;

(e) Affirmation. Every statement contained in this Agreement, in the Borrower's Application, and in any supplement thereto or amendment thereof, and in any other document submitted or to be submitted to the Government by or on behalf of the Borrower is, or when so submitted will be, correct and complete, and no relevant fact materially affecting the Bonds, the Grant, the Project or the obligations of the Borrower under this Agreement has been or will be omitted therefrom.

6. Indemnification. The Borrower will indemnify the Government and all purchasers of the Bonds from the Government against any loss or liability incurred by reason of any inaccuracy or incompleteness in any representation contained herein. In the event that there shall be any such inaccuracy or incompleteness, the Government shall be entitled (in addition to the above right of indemnification and any other right or remedy) to return any or all of the Bonds to the Borrower and recover the price paid therefor by the Government.

7. Use of Government's Name Without the prior written consent of the Government, the Borrower will not refer to this Agreement or to any purchase by the Government of the Bonds as an inducement for the purchase of any securities (including Bonds repurchased from the Government) of the Borrower, and will not permit any purchaser from it of any such securities to do so.

8. Sale of Bonds by the Government. The Borrower will take all such steps as the Government may reasonably request to aid in the sale by the Government of any or all of

the Bonds. Upon request, the Borrower will furnish to the Government or to any purchaser from the Government of 25 percentum of the Bonds, information for the preparation of a bond circular in customary form, signed by the proper official of the Borrower, containing such data as the Government or such purchaser may reasonably request concerning the Borrower and the Project.

9. Expenses. The Borrower will pay all costs, charges and expenses incident to compliance with all the duties and obligations of the Borrower under this Agreement including, without limiting the generality of the foregoing, the cost of preparing, executing and delivering the Bonds and obtaining all legal opinions requested by Counsel for the Government.

10. Supplemental Documents. The Borrower will furnish to the Government such supplemental documents as Counsel for the Government may request in connection with the Bonds, the Grant, the Project or the obligations of the Borrower under this Agreement.

11. Waiver. Any provision of this Agreement may be waived or amended with the consent of the Borrower and the written approval of the Engineering Division, Finance Division, and Counsel for the Government, without the execution of a new or supplemental agreement, if, in the opinion of Counsel for the Government, which shall be conclusive, such waiver or amendment does not substantially vary the terms of this Agreement. No waiver by the Government of any such provision shall constitute a waiver thereof as applied to any subsequent obligation of the Borrower or the Government under this Agreement.

12. Agreement Not for the Benefit of Third Parties. This Agreement is not for the benefit of any person or corporation other than the parties hereto, their respective assigns or the successors of the Borrower, and neither the holders of the Bonds nor any other person or corporation, except the parties hereto, their respective assigns or the successors of the Borrower, shall have any rights or interest in or under this Agreement, except as expressly provided for herein.

13. Interest of Member of Congress. No member of or Delegate to the Congress of the United States of America shall be admitted to any share or part of this Agreement, or to any benefit to arise thereupon.

14. Miscellaneous. This Agreement shall be binding upon the parties hereto when a copy thereof, duly executed by the Borrower and the Government, shall have been received by the Borrower. This Agreement shall be governed by and be construed in accordance with the laws of the State of Colorado. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective assigns and the successors of the Borrower, and shall inure to the benefit of the holders from time to time of any of the Bonds; provided, however, that no rights of the Borrower hereunder shall be assignable except with the prior written consent of the Government. All obligations of the Borrower hereunder shall cease upon payment in full of all the Bonds.

15. Promotion of National Recovery. The Borrower covenants to discharge faithfully and with all possible dispatch the duties and obligations imposed upon it by this Agreement, it

being the purpose of this Agreement to enable the Borrower to secure the benefits of the Act, foster employment, promote the public welfare and thereby assist in the recovery program of the President of the United States.

16. Undue Delay by the Borrower. The Government shall have the right to rescind the allotment for the Project and annul any obligation to make a loan or grant to the Borrower unless the Borrower shall within a reasonable time:

(a) Sign and return to the Government three counterparts of this Agreement as provided in Paragraphs 1 and 2, PART TWO, hereof. (For the purposes of this sub-paragraph 16 (a) a reasonable time shall be deemed to be ten days in the ordinary course of events or such longer period as shall be allowed in the absolute discretion of The Federal Emergency Administrator of Public Works);

(b) Comply with all the provisions of Paragraph 2, PART TWO, hereof, including particularly sub-paragraph (e) relating to the authorization and issuance of the Bonds;

(c) File requisitions with the Government in accordance with the provisions of Paragraphs 3 and 5, PART TWO, hereof; and

(d) Commence or cause to be commenced the Construction of the Project.

The Federal Emergency Administrator of Public Works shall determine in his absolute discretion what constitutes a reasonable time within the meaning of this Paragraph 16.

17. Construction of Agreement. If any provision of this Agreement shall be invalid in whole or in part, to the extent that it is not invalid it shall be valid and effective and no such invalidity shall affect, in whole or in part, the validity and effectiveness of any other provision of this Agreement or the rights or obligations of the parties hereto, provided, in the opinion of Counsel for the Government, the Agreement does not then violate the terms of the Act.

IN WITNESS WHEREOF, the CITY OF GRAND JUNCTION and the UNITED STATES OF AMERICA have respectively caused this Agreement to be duly executed as of the day and year first above written.

CITY OF GRAND JUNCTION

By \_\_\_\_\_

\_\_\_\_\_

SEAL

ATTEST:

\_\_\_\_\_

\_\_\_\_\_

UNITED STATES OF AMERICA  
BY \_\_\_\_\_  
Federal Emergency Administrator  
of Public Works

Section 2. That the President of the City Council of the City of Grand Junction be and he is hereby authorized to execute and deliver said loan agreement to the Government, and that the City Clerk of the City of Grand Junction be and she is hereby authorized to affix the seal of the city to said loan agreement so executed by the President of the City Council, and attest the same by her official signature.

Section 3. That the law firm of Pershing, Nye, Bosworth & Dick, with offices at 520 Equitable Building, Denver, Colorado, be and said firm is hereby selected as municipal bond counsel to assist the City of Grand Junction in the preparation of the legal proceedings and to give the legal opinions referred to in the loan agreement, and the City of Grand Junction, does hereby, at its expense, retain for such purposes said bond counsel.

Section 4. That the City Clerk of the City of Grand Junction be and she is hereby authorized forthwith to send to the Government, triplicate certified copies of this ordinance and all other proceedings incident to the authorization of the execution of said loan agreement, including triplicate executed counterparts of said loan agreement.

Section 5. That the President of the City Council and City Clerk of the City of Grand Junction be and they are hereby authorized and directed to effectuate all of the provisions of this ordinance.

Section 6. That in order for the City of Grand Junction to take advantage of the provisions of the National Industrial Recovery Act, approved June 16, 1933, and in order to raise funds for the prompt commencement and completion of the project contemplated by the City of Grand Junction, it is necessary that this ordinance be passed immediately; therefore, in the opinion of the City Council, an emergency exists and this ordinance is deemed necessary for the preservation of the public peace, health and safety; therefore it shall take effect immediately upon its introduction, passage and publication according to the provisions of the charter of the City of Grand Junction.

Passed and adopted this 26th day of February, A. D. 1934.

/s/ Allen L. Holcombe  
President of the City Council

(SEAL)

ATTEST:

/s/ Helen C. Tomlinson  
City Clerk



I HEREBY CERTIFY That the foregoing ordinance entitled, "AN ORDINANCE RATIFYING AND APPROVING A LOAN AGREEMENT DATED FEBRUARY 1, 1934, BETWEEN THE CITY OF GRAND JUNCTION, COUNTY OF MESA, STATE OF COLORADO, AND THE UNITED STATES OF AMERICA, AND AUTHORIZING ITS EXECUTION", was introduced, read, passed and adopted as an emergency ordinance, numbered 516, and ordered published, by the unanimous vote of the members of the City Council of the City of Grand Junction, Colorado, at a regular adjourned meeting of said Council, held on the 26th day of February, A. D. 1934.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City, this 26th day of February, A. D. 1934.

/s/ Helen C. Tomlinson  
City Clerk

Published February 27, 1934