

ORDINANCE NO. 1552

ORDINANCE AUTHORIZING THE ISSUANCE AND DELIVERY OF THE CITY OF GRAND JUNCTION GOLF COURSE REVENUE BONDS, SERIES MARCH 1, 1975, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$450,000 FOR THE PURPOSE OF FINANCING THE ACQUISITION AND PROVISION OF REAL AND PERSONAL PROPERTY FOR THE RECREATIONAL PURPOSES OF THE CITY, CONSISTING OF A GOLF COURSE AND APPURTENANT FACILITIES; PRESCRIBING THE FORM AND TERMS OF THE BONDS TO BE ISSUED; DETERMINING THE REVENUES TO BE USED TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS AUTHORIZING METHOD OF ???? OF SAID BONDS AND THE EXECUTION OF AN UNDERWRITING CONTRACT IN CONNECTION THEREWITH; AND PROVIDING FOR THE SECURITY, RIGHTS AND REMEDIES OF THE HOLDERS, FROM TIME TO TIME, OF SAID BONDS.

WHEREAS, the City Council of the City of Grand Junction, Colorado, has determined and hereby determines that it is desirable, necessary and for the best interests of the City and the inhabitants thereof to acquire and provide real and personal property for the recreational purposes of the City, consisting of the municipal golf course and appurtenant facilities herein referred to; and

WHEREAS, there are not sufficient funds in the treasury of the City available to provide for said facilities and the City Council deems it advisable to issue Revenue Bonds in the principal amount of \$450,000 for the payment of the costs of acquiring and providing said municipal golf course and appurtenant facilities; and

WHEREAS, under the authority of the Constitution and Laws of the State of Colorado, and the Charter of the City of Grand Junction, Colorado, now in force, the City of Grand Junction has the power to issue its Revenue Bonds for the purpose of paying the costs of acquiring and providing such municipal golf course and appurtenant facilities, in the aggregate principal amount of \$450,000; and

WHEREAS, said Bonds have been sold at a negotiated private sale;

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

Section 1. That for the purpose of defraying, in whole or in part, the cost of acquiring and providing a municipal golf course and appurtenant facilities, located approximately eight miles west of the City of Grand Junction, Colorado, such golf course presently being known as the "Tiara Rado Golf Course", (herein referred to as the "golf course and appurtenant facilities") for the recreational purposes of the City and the inhabitants thereof, the City of Grand Junction, Colorado, shall issue its negotiable Coupon Revenue Bonds in the aggregate principal amount of \$450,000, each to be designated "City of Grand Junction Golf Course Revenue Bond, Series March 1, 1975" (herein referred to as the "Bonds"); to be dated March 1, 1975; to consist of 90 Bonds in

the denomination of \$5,000 each, numbered 1 to 90, inclusive, payable to bearer in lawful money of the United States of America solely out of the net revenues to be derived from the golf course and appurtenant facilities acquired and provided with the net proceeds of said issue; to bear interest as evidenced by one set of bearer interest coupons, and for certain Bonds, two sets of bearer interest coupons with one of said sets designated "A" and the other supplemental set designated "B", all attached to said Bonds, as herein set forth.

Bonds maturing in the years 1978 through 1984, and numbered 1 to 34, inclusive, will bear only one set of interest coupons, and shall bear interest thereon from March 1, 1975, to the payment of their principal sum at the rate of eight and five-tenths per centum (8.5%) per annum. Said interest shall be payable March 1, 1976, and semi-annually thereafter on the 1st day of September and the 1st day of March of each year.

Bonds maturing in the years 1985 through 1989, and numbered 35 to 90, inclusive, will bear two sets of interest coupons, with one of said sets designated "A" and the other supplemental set designated "B". Said "A" coupon interest shall be payable at the rate of eight and five-tenths per centum (8.5%) per annum from March 1, 1975, to the payment of the principal of such Bonds, said interest payable March 1, 1976, and semiannually thereafter on the 1st day of September and the 1st day of March of each year. Said "B" coupon interest shall be payable at the rate of one per centum (1%) per annum for the period from March 1, 1978, to March 1, 1981, payable September 1, 1978 and semiannually thereafter on the 1st day of March and the 1st day of September of each year.

The subject Bonds shall mature serially in regular numerical order on March 1 of each year and in the principal amounts stated below and shall bear interest as follows:

Coupon Interest Rate				
<u>Bonds</u> <u>Numbered</u> (both inclusive)A <u>mountMaturi</u> <u>tyAB*</u>				

1\$ 5,00019788. 5%				
25,00019798 .5%				
3 to 410,0001980 8.5%				
5 to 610,0001981 8.5%				
7 to 1335,000198 28.5%				
14 to 2245,000198 38.5%				
23 to 3460,000198 48.5%				
35 to 4660,000198 58.5%1%				
47 to				

5860,000198 68.5%1%				
59 to 7060,000198 78.5%1%				
71 to 8260,000198 88.5%1%				
83 to 9040,000198 98.5%1%				

\*Bonds numbered 35 to 90, inclusive, bear "B" coupon interest at the rate of 1% from March 1, 1978 to March 1, 1981.

Bonds of this issue maturing on or before March 1, 1985, are not redeemable prior to their respective maturity dates. Bonds maturing in 1986 and thereafter shall be redeemable at the option of the City on July 1, 1985, and interest payment dates thereafter, in inverse numerical order, upon payment of par, accrued interest and a premium of One Percent (1%) of principal.

The principal of and interest on said Bonds shall be payable in lawful money of the United States Bank of Grand Junction, Grand Junction, Colorado, which is hereby designated the paying agent for this Bond issue.

Said Bonds shall be signed with the facsimile signature of the President of the Council, sealed with a facsimile of the seal of the City, attested by the manual signature of the City Clerk, countersigned with the facsimile signature of the Finance Director and ex officio City Treasurer, and the interest coupons attached thereto shall bear the facsimile signatures of said officers. When issued as aforesaid as part of said Bonds, the said interest coupons shall be obligations of the City payable solely from the net revenues of the municipal golf course and appurtenant facilities, according to their import. Should any officer whose manual or facsimile signature appears on said Bonds, or the interest coupons attached thereto, cease to be such officer before the delivery of the Bonds to the purchaser, such manual or facsimile signature shall nevertheless be valid and sufficient for

all purposes.

Section 3. The Bonds and the interest coupons attached thereto shall be in substantially the following form:

[Form of Bond]

UNITED STATES OF AMERICA

STATE OF COLORADO COUNTY OF MESA

CITY OF GRAND JUNCTION  
GOLF COURSE REVENUE BOND  
SERIES MARCH 1, 1975

No. \_\_\_\_\_ \$5,000

The City of Grand Junction, in the County of Mesa and State of Colorado, for value received, promises to pay to the bearer hereof, solely from the special funds provided therefor, as hereinafter set forth, on the 1st day of March, 19\_\_\_\_\_, the principal sum of Five Thousand Dollars (\$5,000) with interest thereon from the date hereof to the payment of said principal sum as evidenced by \*(one set of interest coupons hereto attached at the rate of eight and five-tenths per centum (8.5%) per annum, payable on March 1, 1976, and semiannually thereafter on the 1st day of September and the 1st day of March of each year) \*\*[interest coupons designated "A" hereto attached, at the rate of eight and five-tenths per centum (8.5%) per annum, payable March 1, 1976, and semiannually thereafter on the first day of September and the 1st day of March of each year, and additional interest as evidenced by supplemental interest coupons designated "B" hereto attached, at the rate of one per centum (1%) per annum for the period from March 1, 1978, to March 1, 1981, said "B" coupon interest payable September 1, 1978, and semiannually thereafter on the 1st day of March and the 1st day of September of each year]. Both principal of and interest on this Bond are payable in lawful money of the United States of America out of the special funds hereinafter set forth, but not otherwise, at United States Bank of Grand Junction, Grand Junction, Colorado, upon presentation and surrender of said coupons and this Bond as they severally become due. Bonds of this issue maturing on or before March 1, 1985 are not redeemable prior to their respective maturity dates. Those Bonds maturing in the year 1986 and thereafter, are redeemable prior to maturity at the option of the City, in inverse numerical order, on July 1, 1985, and on interest payment dates thereafter, upon payment of par, accrued interest, and a premium of One Percent (1%) of principal.

This Bond is issued by the City of Grand Junction, Colorado, and is one a series of Ninety bonds of like tenor, amount and date, except as to number, interest rate, prior redemption option, and maturity, authorized for the purpose of paying the cost of acquiring and providing real and personal property for the

recreational purposes of the City, consisting of the golf course and appurtenant facilities described in the Ordinance pursuant to which this Bond is issued, under the authority of and in full conformity with the Constitution and Laws of the State of Colorado, and the Charter of said City, and pursuant to Ordinance No. 1552 duly adopted, published and made a law of said City prior to the issuance of this Bond.

This Bond and the interest coupons appurtenant thereto shall never constitute the debt of indebtedness of the City of Grand Junction, Colorado, within the meaning of any provision or limitation of the Constitution or Statutes of the State of Colorado, or the Charter of the City of Grand Junction, and shall not constitute nor give rise to a pecuniary liability or a charge against the property, general credit or taxing powers of the City of Grand Junction, Colorado. The principal of and interest on this Bond are payable solely from the net income and revenue derived and to be derived from the operation of the municipal golf course and appurtenant facilities for the acquisition of which these Bonds are issued, and the holder hereof may not look to any general or other funds of the City for the payment of the principal of or the interest on this Bond, except the special funds pledged therefor. Pursuant to said Ordinance referred to above, the payment of this Bond and the interest thereon shall be made solely from, and as security for such payment there are pledged, two special funds created in full conformity with law and designated as the "Grand Junction Golf Course Revenue Bonds, Series March 1, 1975, Interest and Bond Retirement Fund" and the "Grand Junction Golf Course Revenue Bonds, Series March 1, 1975, Reserve Fund", into which the City covenants to pay from the net income and revenue derived from the operation of the municipal golf course and appurtenant facilities acquired and provided from the proceeds of this bond issue, after payment only for all necessary and reasonable expenses of operation and maintenance of said golf course and appurtenant facilities, sums sufficient to pay when due the principal of and interest on the Bonds of the series of which this is one, and to create and maintain a reasonable and specified reserve for such purpose. The Bonds of this issue are equitably and ratably secured by a lien on the net income and revenue of the municipal golf course and appurtenant facilities, and constitute an irrevocable and first lien (but not necessarily an exclusive first lien) upon said net income and revenue.

It is hereby recited, certified and warranted that for the payment of this Bond and of the interest thereon, the City of Grand Junction has created and will maintain said special Funds and will deposit therein, out of the net income and revenue of said municipal golf course and appurtenant facilities, the amounts and revenues specified in said Ordinance referred to above authorizing the issuance of this Bond, and out of said Funds, as an irrevocable charge thereon, will pay this Bond and the interest thereon, in the manner provided by said Ordinance.

Reference is hereby made to said Ordinance referred to above for a

description of the terms and conditions upon which the bonds of which this is one are issued and secured, including without limitation, a description of said special Funds and the nature and extent of the security afforded thereby for the payment of the principal of and the interest on said Bonds, as well as the rights, duties and obligations of the City of Grand Junction, Colorado and also the rights of the holders of the Bonds.

It is hereby certified, recited and warranted that all the requirements of law and all conditions precedent have been fully complied with by the proper officers of the City in the issuance of this Bond.

For the payment of this Bond and the interest thereon, the City of Grand Junction pledges the exercise of all its lawful corporate powers.

IN TESTIMONY WHEREOF, the City Council of the City of Grand Junction, Colorado, has caused this Bond to be signed with the facsimile signature of the President of the Council, sealed with the facsimile of the seal of the City, attested by the manual signature of the City Clerk, countersigned with the facsimile signature of the Finance Director and ex officio City Treasurer, and has caused the attached interest coupons to be signed with the facsimile signatures of said officers, as of the 1st day of March, 1975.

CITY OF GRAND JUNCTION, COLORADO

(FACSIMILE  
SEAL)

By (Facsimile Signature)

\_\_\_\_\_  
President of the Council

Attest:

(Manual Signature)

\_\_\_\_\_  
City Clerk

Countersigned:

(Facsimile Signature)

\_\_\_\_\_  
Finance Director and ex officio City Treasurer

[End of Form of Bond]

\*Bonds numbered 1 to 34, inclusive, maturing in the years 1978 to 1984, inclusive, will bear only one set of interest coupons. Thus, insert the information contained within the parentheses in said Bonds numbered 1 to 34 only.

\*\*Bonds numbered 35 to 90, inclusive, maturing in the years 1985 to 1989, inclusive, will bear both "A" and "B" interest coupons. Thus, insert the information contained within the brackets in said Bonds numbered 35 to 90 only.

[Form of Interest Coupon]

No. \_\_\_\_\_ \$ \_\_\_\_\_

On the 1st day of March, September, 19\_\_\_\_\_, unless the Bond to which this coupon is attached, if redeemable, has been called for prior redemption, the City of Grand Junction, in the County of Mesa and State of Colorado, will pay to bearer the amount shown hereon, in lawful money of the United States of America, at United States Bank of Grand Junction, Grand Junction, Colorado, solely from and secured by a pledge of two special Funds designated in the Bond to which this interest coupon is attached and created from the net income and revenue from the operation of the municipal golf course and appurtenant facilities of said City for the acquisition and provision of which said Bond was issued, but not otherwise, being interest then due on its City of Grand Junction Golf Course Revenue Bond, Series March 1, 1975, dated March 1, 1975, bearing

No. \_\_\_\_\_ CITY OF GRAND JUNCTION

By (Facsimile Signature)

\_\_\_\_\_  
President of the Council

(Facsimile Signature)

\_\_\_\_\_  
City Clerk

(Facsimile Signature)

\_\_\_\_\_  
Finance Director and ex officio City Treasurer

[End of Form of Interest Coupon]

Section 4. Said Bonds shall be sold and delivered by any one of the officers of the City to the purchaser thereof, Boettcher and Company, upon payment to the City in accordance with the contract of purchase for the Bonds between the City and Boettcher and Company, solely to provide the City with money for the purpose hereinbefore specified. Neither the purchaser of said Bonds, nor the subsequent holders of any of them shall be responsible for the application or disposal by the City or any of its officers of the funds derived from the sale thereof. The issue of said Bonds by the City shall constitute a warranty by and on behalf of the City for the benefit of each and every holder of any of said Bonds, that said Bonds have been issued for a valuable consideration in full conformity with law.



Each Bond shall recite that it is issued under the authority of and in full conformity with the Constitution of the State of Colorado, the Charter of the City of Grand Junction, and this Ordinance, and that the holders thereof may not look to any general or other funds of the City for the payment of the principal of or the interest on this Bond, except the special funds pledged therefor.

Section 5. The principal of and interest on said Bonds shall be payable solely out of the net income and revenue to be derived by the City from the operation of its municipal golf course and appurtenant facilities as specified in this Ordinance, but the term "golf course and appurtenant facilities" as used herein shall include not only the property acquired from the proceeds of this Bond issue, but all additions, betterments, improvements and extensions thereto which may thereafter be constructed or acquired by the City.

Section 6. The proceeds derived from the sale of the Bonds shall be deposited promptly upon receipt thereof into a separate special fund hereby created and known as the "Grand Junction Golf Course Revenue Bonds, Series March 1, 1975, Municipal Golf Course and Appurtenant Facilities Acquisition Fund", herein sometimes designated as the "Golf Course Acquisition Fund". The monies in the Golf Course Acquisition Fund shall be used solely for the purpose of acquiring and providing the real and personal property consisting of a municipal golf course and appurtenant facilities, except that Thirty-Five Thousand Dollars (\$35,000.00) therefrom shall be applied for the payment of interest on the Bonds authorized herein during the period of time necessary to acquire, equip and place said golf course in full operation and for said purpose such \$35,000.00 shall, immediately upon receipt of the bond proceeds and prior to the payment of said acquisition costs, be deposited into a separate special fund hereby created and known as the "Grand Junction Golf Course Revenue Bonds, Series March 1, 1975, Interest and Bond Retirement Fund", herein sometimes designated as the "Bond Fund", and except that after the acquisition of the golf course and appurtenant facilities, as herein provided, all monies, if any, remaining in the Golf Course Acquisition Fund shall be deposited into a separate special fund hereby created and known as the "Grand Junction Golf Course Revenue Bonds, Series March 1, 1975, Reserve Fund", herein sometimes designated as the "Reserve Fund".

Section 7. The net effective interest rate on the Bonds of this issue is 8.77983%.

Section 8. That so long as any of the Bonds herein authorized shall be outstanding, either as to principal or interest, or both, the entire gross income and revenues of the municipal golf course and appurtenant facilities shall be set aside in a separate special fund hereby created and known as the "Grand Junction Golf Course Revenue Bonds, Series March 1, 1975, Income Fund", herein

sometimes designated as the "Income Fund".

Section 9. That so long as any of the Bonds herein authorized shall be outstanding, either as to principal or interest, or both, the following payments shall be made from the Income Fund:

A. Firstly, as a first charge thereon, there shall be deposited from time to time into a separate fund hereby created and known as the "Grand Junction Golf Course Revenue Bonds, Series March 1, 1975, Operation and Maintenance Fund", herein sometimes referred to as the "Operation and Maintenance Fund" sufficient monies to pay operation and maintenance expenses as they become due and payable, and thereupon they shall be promptly paid.

B. Secondly, and subject to the aforesaid provisions, from any monies remaining in the Income Fund after payment of operation and maintenance expenses as required by Section 9A above, (i.e., from the net income and revenue of the municipal golf course and appurtenant facilities, herein sometimes referred to as the "net income and revenue"), there shall be deposited in the Bond Fund the following:

1. On or before fifteen (15) days prior to the next maturing installment of interest on the Bonds hereby authorized and then outstanding, an amount sufficient to pay such interest, and thereupon said interest shall be promptly paid when due;

2. On or before fifteen (15) days prior to the next maturing installment of principal on the Bonds hereby authorized and then outstanding, an amount sufficient to pay such next maturing installment of principal on said outstanding Bonds, and thereupon said principal shall be promptly paid when due;

C. Thirdly, and subject to the aforesaid provisions, and in addition to the other monies required to be deposited in the Reserve Fund by Section 6 hereof, from and to the extent of any monies remaining in the Income Fund there shall be deposited into the Reserve Fund annually on or before February 1 of each year beginning in 1979, at least Five Thousand Dollars (\$5,000.00) (until a reserve has been accumulated in an amount equal to not less than Thirty-Five Thousand Dollars (\$35,000.00), herein sometimes designated as the "Minimum Reserve"), and thereafter such amounts or amount, if any, shall be deposited annually (subject to the payment requirements of Sections 9A and 9B above), from any monies remaining in the Income Fund, into the Reserve Fund which are necessary to maintain the Reserve Fund as a continuing reserve in an amount not less than the Minimum Reserve to meet possible deficiencies in the Bond Fund. No payment need be made into the Reserve Fund so long as monies therein shall equal not less than the Minimum Reserve. The monies in the Reserve Fund shall be accumulated and maintained as a continuing reserve to be used, except as hereinafter provided in Paragraphs D and E of this Section 9, only to prevent deficiencies in the payment of the principal of and interest on the Bonds hereby authorized resulting

from the failure to deposit into the Bond Fund sufficient funds to pay said principal and interest as the same accrue. Monies in the Reserve Fund may be invested as permitted by the Laws of the State of Colorado and the Charter of the City of Grand Junction, provided such investments shall be made consistent with the covenant hereinafter provided concerning arbitrage bonds.

D. No payments need be made into the Bond Fund, the Reserve Fund, or either, if the amount in the Bond Fund and the amount in the Reserve Fund total a sum at least equal to the entire amount of the outstanding Bonds herein authorized, both as to principal and interest to their respective maturities, and both accrued and not accrued, in which case monies in said two Funds in an amount at least equal to such principal and interest requirements shall be used solely to pay such as the same accrue, and any monies in excess thereof in said two Funds and any other monies derived from the operation of the golf course and appurtenant facilities may be used in any lawful manner determined by the City Council.

E. If, at any time, and from time to time, the City shall, for any reason, fail to pay into the Bond Fund the full amounts required to be paid by Section 9B above from the net income and revenue of the municipal golf course and appurtenant facilities, then an amount shall be paid into said Bond Fund at such times from the Reserve Fund equal to the difference between that paid from said net income and revenue and the full amount required to be paid by said Section 9B. The monies so used shall be replaced in the Reserve Fund from the first revenues thereafter received from the operation of the municipal golf course and appurtenant facilities not required to be otherwise applied by Sections 9A and 9B above. If, in any annual period ending February 1 in any year beginning in 1979, the City shall, for any reason, fail to pay into the Reserve Fund the full amount required to be paid by said Section 9C from the net income and revenue of the golf course and appurtenant facilities, the difference between the amount paid and the amount required to be paid by said Section 9C shall in a like manner be paid therein from the first revenues thereafter received from the operation of the municipal golf course and appurtenant facilities not required to be otherwise applied by Sections 9A and 9B above. The monies in the Bond Fund and the Reserve Fund shall be used solely and only for the purpose of paying the principal of and the interest on the Bonds issued hereunder; provided, however, that any monies at any time in excess of the Minimum Reserve in the Reserve Fund may be withdrawn therefrom and used as herein provided for the redemption of Bonds hereby authorized as they become due or on any redemption date.

F. From any balance remaining in the Income Fund after making the payments hereinabove provided, there may be paid the interest on and principal of additional bonds or other obligations hereafter authorized to be issued and payable from the income and revenue of the municipal golf course and appurtenant facilities, including reasonable reserves therefor, as the same accrues; provided, that the lien of such additional bonds or other obligations on the net

income and revenue from the subject municipal golf course and appurtenant facilities operations and the pledge thereof for the payment of such additional obligations shall not be superior or prior to the lien and pledge of the Bonds herein authorized.

G. After the payments hereinabove required to be made by Paragraphs A to F, both inclusive, of this Section 9 of this Ordinance, the remaining income and revenue derived from the operation of the golf course and appurtenant facilities, if any, may be applied to any other lawful purpose or purposes authorized by the Constitution and statutes of the State of Colorado, and the Charter and Ordinances of the City of Grand Junction, as the City Council may direct.

The City of Grand Junction Golf Course Revenue Bonds, Series March 1, 1975, shall and hereby do constitute an irrevocable and first lien and charge upon the net income and revenue of the subject municipal golf course and appurtenant facilities and an irrevocable and first lien and charge upon the Bond Fund and the Reserve Fund created herein (but not necessarily an exclusive first lien and charge upon said net income and revenue and Funds) for the payment of the principal and interest on the outstanding Bonds of said issue.

Section 10. The sums, income and revenues herein provided to meet the interest on said City of Grand Junction Golf Course Revenue Bonds, Series March 1, 1975, and to discharge the principal thereof when due, and the applications of the Bond Fund and the Reserve Fund as hereinabove provided, are hereby appropriated and pledged for said purposes.

Section 11. The City hereby irrevocably covenants and agrees with each and every holder of the City of Grand Junction Golf Course Revenue Bonds, Series March 1, 1975, dated March 1, 1975, so long as any of said Bonds remain outstanding:

A. That it will charge and collect for each and all privileges and services rendered or made available at the subject municipal golf course and appurtenant facilities to any person or entity, including any such services to the City and each employee thereof, such rates and amounts as shall be sufficient to produce income and revenues to make the payments and accumulations required by this Ordinance. In the event that such charges at any time should not be sufficient to make said payments and accumulations required by this Ordinance, the City will increase its said charges to such an extent as to insure the payments and accumulations required by the provisions of this Ordinance.

B. That it will establish, maintain and enforce such rates continuously until all the Bonds authorized herein and the interest thereon, have been fully paid and discharged.

C. That it will keep and perform each of the covenants and agreements set forth herein.

D. That it will not issue any additional bonds payable from the revenue and income derived from the operation of the subject municipal golf course and appurtenant facilities, having a lien upon said revenue and income which is superior or prior to the lien of the Bonds authorized herein.

Section 12. Nothing contained in this Ordinance shall construed in such manner as to prevent the issuance by the City of additional bonds payable from the net income and revenue derived from the operation of the subject municipal golf course and appurtenant facilities and constituting a lien upon said revenues equal to or on a parity with the lien of the Bonds authorized herein, provided that the City is current in the payments and accumulations required by this Ordinance for the Bonds authorized herein; and in addition, provided that the annual net income and revenue derived from the operation of the said golf course and appurtenant facilities for the fiscal year immediately preceding the date of issuance of such additional parity lien bonds, together with the projected net income and revenue to be derived from the first year of operation of any additional facilities to be constructed or acquired with the proceeds of such parity lien bonds, if such additional facilities are to be revenue-producing, are equal to at least 1.3 times the projected total amount necessary to pay the combined maximum annual principal and interest requirements of the Bonds authorized herein as well as of all outstanding revenue bonds having a lien upon the net income and revenue derived from the operation of said golf course and appurtenant facilities equal to or on a parity with the lien of the bonds authorized herein, for the fiscal year immediately following the date of issuance of such additional parity lien bonds. A certification of sufficient revenues for such purpose shall be required prior to the issuance of such additional parity lien bonds, from a consulting engineer or an independent accountant, provided the aforesaid projected total amount for the immediately following fiscal year may be so certified by said engineer or accountant based on the reasonable estimates thereof by the City Treasurer.

Nothing herein shall prevent the City from issuing refunding bonds having a lien on revenues of the said golf course and appurtenant facilities equal to or on a parity with the lien of the Bonds authorized herein, refunding all or any part of the issued unpaid Bonds authorized herein which are outstanding as of the date of said parity refunding bonds, and in the event that such parity refunding bonds are issued the revenue requirements set forth above as conditions precedent to the issuance of additional bonds shall not apply.

Nothing herein shall prevent the City from issuing bonds having a lien on the income and revenue of the subject municipal golf course, subordinate to the lien of the Bonds authorized herein.

Section 13. All costs and expenses incurred in connection with the issuance and payment of the Bonds authorized herein shall be paid

exclusively from the proceeds of said Bonds or from the income and revenue of the subject municipal golf course and appurtenant facilities, and in no event shall any of such costs or expenses, or the principal of or interest on said Bonds be paid out of or charged to the general funds or tax levies of the City.

Section 14. Any monies in any of the Funds established herein which are not needed for payment immediately for the specific purpose of the Fund may be invested or reinvested by the Finance Director and ex officio City Treasurer as authorized by law, provided any such temporary investment shall be made consistent with the covenant hereinafter provided concerning arbitrage bonds. The obligations so purchased as an investment of monies in any such Fund shall be deemed at all times to be a part of said Fund and except as hereinafter provided, the interest accruing thereon and any profit realized therefrom shall be credited to the Fund in question, and any loss resulting from such investment shall be charged to the applicable Fund. In case of interest from investments in the Reserve Fund, so long as the amount in the Reserve Fund equals not less than the Minimum Reserve, such interest shall be transferred to the Income Fund and distributed in the same manner as other monies in the Income Fund.

Section 15. It is hereby determined and recited that the period of usefulness of the golf course and appurtenant facilities to be acquired and provided with the proceeds of the Bonds is not less than fifteen years from the date of said Bonds. The City in its operation of the subject municipal golf course and appurtenant facilities will carry fire and extended coverage insurance, be protected by public liability insurance and other types of insurance in such amounts and to such extent as is normally carried by private corporations or clubs acquiring, constructing or operating such facilities, as the case may be. The cost of insurance shall be considered one of the costs of operation and maintenance of the golf course and appurtenant facilities. In the event of property loss or damage, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged, and any remainder shall be treated as net income, and shall be subject to distribution in the manner provided hereinabove for net income and revenue derived from the operation of the golf course and appurtenant facilities.

Section 16. The City hereby further irrevocably covenants and agrees with each and every holder of the City of Grand Junction Golf Course Revenue Bonds, Series March 1, 1975, issued under the provisions of this Ordinance, that so long as any of said Bonds remain outstanding:

A. It will maintain its corporate identity and existence so long as any of the Bonds herein authorized remain outstanding.

B. It will operate and manage the subject municipal golf course and appurtenant facilities in an efficient and economical manner and keep and maintain the separate Funds, accounts of receipts and

disbursements thereof as herein provided, and in accordance with the other laws and ordinances not inconsistent herewith governing the maintenance of accounting with respect to receipts and disbursements.

C. It will not sell or alienate any of the property constituting any part or all of said municipal golf course and appurtenant facilities in any manner or to any extent that might reduce the security of the pledge of revenues therefrom for the payment of the City of Grand Junction Golf Course Revenue Bonds, Series March 1, 1975, authorized herein, but the City may sell any portion of such property which shall have been replaced by other similar property of at least equal value, or which shall cease to be necessary for the efficient operation of said municipal golf course and appurtenant facilities; provided, however, that in the event of any sale or sales, as aforesaid, where the aggregate consideration exceeds the sum of Five Hundred Dollars (\$500.00), such consideration shall be treated as income of the municipal golf course and related facilities.

D. It will keep proper books of record and account, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the subject municipal golf course and appurtenant facilities. Any holder of any of the Bonds, or any duly authorized agent or agents of such holder, shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the said municipal golf course and appurtenant facilities.

E. At least once each year it will furnish the original purchaser of the Bonds a statement of the receipts of and the disbursements from, and balance of, each of the separate Funds established herein for the fiscal year immediately preceding each statement.

Section 17. The City covenants with the holders of the Bonds that it will make no use of the proceeds of such Bonds at any time during the term thereof which, if such use had been reasonably expected on the date the Bonds are issued, would have caused such Bonds to be arbitrage bonds within the meaning of Section 103(d) of the Internal Revenue Code of 1954, as amended, unless, under any valid provision of law hereafter enacted, the interest paid on the Bonds (a) shall be excludable from the gross income of a recipient thereof for federal income tax purposes without regard to whether or not such Bonds are arbitrage bonds, or (b) shall be exempt from all income taxation.

Section 18. All actions heretofore taken and approved by the City relating to the contract for the purchase and sale of the Bonds and relating to the acquisition, equipping and improving of the subject municipal golf course and appurtenant facilities are hereby ratified and confirmed.

Section 19. Pursuant to the Uniform Facsimile Signature of Public Officials Act, article 55 of title 11, Colorado Revised Statutes

1973, the President of the City Council, the City Clerk and the Finance Director and ex officio City Treasurer shall forthwith, but in any event prior to the time the Bonds are delivered to the Bond purchaser, file with the Colorado Secretary of State their manual signatures certified by them under oath, using a suitable Facsimile Signature Certificate for said purpose.

Section 20. The officers of the City are hereby authorized and directed to enter into such agreements and take all action necessary of appropriate to effectuate the provisions of this Ordinance and to comply with the requirements of law, including without limiting the generality of the foregoing:

a. The printing of the Bonds herein authorized; and

b. The execution of such certificates as may be reasonably required by the purchaser of the Bonds relating to the signing of the Bonds, the tenure and identity of the City officials, receipt of the Bond purchase price, and, if in accordance with the facts, the absence of litigation, pending or threatened, affecting the validity of the Bonds; and

c. The making of various statements, recitals, certifications and warranties provided in the form of Bond set forth in this Ordinance.

Section 21. All ordinances, acts, orders, resolutions, or parts thereof, taken by the City and in conflict with this Ordinance are hereby repealed to the extent of such inconsistency. Said repealer shall not be deemed to revive any ordinance, act, order, resolution, or part thereof, heretofore repealed.

Section 22. This Ordinance is, and shall constitute, a legislative measure of the City, and after the Bonds hereby authorized are issued, sold and are outstanding, this Ordinance shall constitute a contract between the City and the holders of said Bonds, and shall be and remain irrevocable until said Bonds and the interest accruing thereon shall have been fully paid, satisfied and discharged.

Section 23. The proper officers of the City of Grand Junction, Colorado, are hereby authorized and directed to pay or cause to be paid the interest on the Bonds herein authorized as the same shall accrue, and the principal of said Bonds at maturity, without further warrant or order.

Section 24. If any paragraph, clause or provision of this Ordinance is judicially adjusted or unenforceable, such judgment shall not affect, impair or invalidate the remaining paragraphs, clauses or provisions hereof, the intention being that the various paragraphs, clauses or provisions hereof are severable.

Section 25. This Ordinance, immediately on its final passage, shall be numbered and recorded in the Ordinance records kept for



that purpose, authenticated by the signatures of the President of the Council and City Clerk, and shall be published as required by law.

INTRODUCED, READ, APPROVED AND ORDERED PUBLISHED THE 5th day of February, 1975.

CITY OF GRAND JUNCTION, COLORADO

By Lawrence L. Kozisek

\_\_\_\_\_  
President, City Council

ATTEST:

Neva B. Lockhart

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City Clerk  
City of Grand Junction, Colorado

INTRODUCED, READ, PASSED FINALLY AND ADOPTED AND ORDERED PUBLISHED THIS 19th day of February, 1975.

CITY OF GRAND JUNCTION, COLORADO

By Lawrence L. Kozisek

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President, City Council

ATTEST:

Marion H. Walthall

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Deputy City Clerk  
City of Grand Junction, Colorado

I HEREBY CERTIFY that the foregoing ordinance, being Ordinance No. 1552, was introduced, read, and ordered published by the City Council of the City of Grand Junction, Colorado, at a regular meeting of said body held on the 5th day of February, 1975, and that the same was published in The Daily Sentinel, a newspaper published and in general circulation in said City, at least ten days before its final passage.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 20th day of February, 1975.

Marion H. Walthall

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Marion H Walthall, Deputy City Clerk

Published February 7, 1975

Final Publication February 21, 1975

Effective March 22, 1975