

ORDINANCE NO. 2041

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF AN INDUSTRIAL DEVELOPMENT REVENUE BOND (HERRICK & CAMPBELL PROJECT), SERIES 1982, IN THE PRINCIPAL AMOUNT OF \$1,600,000; AND APPROVING THE FORM OF CERTAIN DOCUMENTS RELATING THERETO AND AUTHORIZING THE EXECUTION THEREOF.

WHEREAS, the City of Grand Junction, in the County of Mesa and the State of Colorado (the "City"), for the benefit of the inhabitants of the State and for the promotion of their health, safety, welfare, convenience, and Prosperity, is authorized by Title 29, Article 3, Part 1, Colorado Revised Statutes 1973, as amended (the "Act"): (a) to issue revenue bonds for the purpose of financing one or more projects, including any land, building or other improvements and all real or personal properties suitable or used for or in connection with a manufacturing, industrial, commercial, agricultural or business enterprise, and (b) to enter into a financing agreement with a user in respect of a project, which agreement will provide for payment to the City of revenues sufficient for the payment of the principal and interest on the revenue bonds; and

WHEREAS, by a Resolution duly passed and adopted on November 18, 1981 (the "Inducement Resolution"), the City committed itself to issue such bonds in an aggregate principal amount not to exceed \$2,750,000 in accordance with the provisions of the Act and subject to the terms set forth in the Memorandum of Agreement attached to the Inducement Resolution, for the purpose of financing the cost of developing a site, land within the City, and constructing and equipping thereon a building or buildings, other improvements, and all necessary and appurtenant real and personal properties, whether or not in existence constituting a 134 unit motel (the "Project"); and

WHEREAS, the funds from the proceeds of the bond issue will be made available to Herrick & Campbell, a California general partnership (the "Borrower"), for the acquisition and construction of the Project: and

WHEREAS, the following documents have been submitted to the City Council (the "Council") and filed in the office of the City Clerk (the "Clerk") and are there available for public inspection:

(a) a Loan Agreement, to be dated as of the date of delivery of the Bond (the "Loan Agreement"), proposed to be made and entered into between the City and the Borrower;

(b) an Indenture of Trust, to be dated as of the date of delivery of the Bond (the "Indenture"), proposed to be made and entered into between the City and The Colorado National Bank of Denver, in Denver, Colorado (the "Trustee");

(c) a Bond Purchase Agreement, to be dated as of the date of delivery of the Bond (the "Bond Purchase Agreement"), proposed to be made and entered into among the Borrower, the City, and an institutional investor;

(d) an irrevocable Letter of Credit, to be dated as of the date of delivery of the Bond (the "Letter of Credit"), from Crocker National Bank, in Los Angeles, California, (the "Bank") to the Trustee for the benefit of the Holder of the Bond;

(e) a Construction and Permanent Deed of Trust, Assignment of

Rents, Security Agreement and Fixture Filing, to be dated as of the date of delivery of the Bond (the "Deed of Trust"), proposed to be made and entered into between the Borrower and the Public Trustee of the County of Mesa for the benefit of both the Bank and the City; and

(f) an Assignment of Rents and Lessor's Interest in Leases, to be dated as of the date of delivery of the Bond (the "Assignment"), proposed to be made and entered into among the Borrower, the Bank, and the City; and

WHEREAS, the Council desires to authorize the issuance of a City of Grand Junction, Colorado, Industrial Development Revenue Bond (Herrick & Campbell Project), Series 1982, dated as of the date of delivery thereof, in the principal amount of \$1,600,000 (the "Bond" or "Series 1982 Bond"); and

WHEREAS, it is necessary to authorize the issuance of the Series 1982 Bond by Ordinance and to approve the form of said documents and authorize the execution thereof in connection with the issuance of the Bond:

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

Section 1. Definitions. Certain terms used in this Bond Ordinance shall have the meaning given to them in Article I of the Loan Agreement, unless the context clearly indicates otherwise.

Sectino 2. Approvals and Authorizations. The forms of the Loan Agreement, Indenture, Bond Purchase Agreement, the Letter of Credit, Deed of Trust, and Assignment are incorporated herein by reference and are hereby approved. The Mayor and the Clerk are hereby authorized and directed to execute the Loan Agreement, Indenture, Bond Purchase Agreement, Deed of Trust and Assignment and to affix the seal of the City thereto, and further to execute and authenticate such other documents, instruments or certificates as are deemed necessary or desirable by bond counsel in order to issue and secure the Series 1982 Bond. Such documents are to be executed in substantially the form hereinabove approved, provided that such documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Bond Ordinance. Copies of all of the documents shall be delivered, filed and recorded as provided therein.

The proper officers of the City are hereby authorized and directed to prepare and furnish to bond counsel certified copies of all proceedings and records of the City relating to the Series 1982 Bond and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof as such facts appear from the books and records in such officers' custody and control or as otherwise known to them.

The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate for their completion, including interest rates and any numbers derived therefrom, deletions therefrom and additions thereto as may be approved by bond counsel prior to the execution of the documents. The execution of any instrument by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval by the City of such instrument in accordance with the terms hereof.

Section 3. Authorization. In order to promote industry and develop trade and other economic activity, the Project shall be and is hereby authorized to be financed as described herein. The estimated cost of acquisition and construction of the Project is not less than \$1,600,000. It is hereby found and declared that the financing of the Project and the use thereof by the Borrower as hereinafter provided is necessary to accomplish the public purposes described in the preamble hereto.

Section 4. Bond Provisions and Details. For the purpose of financing the cost of the Project there shall be and there is hereby authorized to be issued by the City its Industrial Development Revenue Bond (Herrick & Campbell Project), Series 1982, in the principal amount and denomination of \$1,600,000. The Bond shall be issued as a single, fully registered bond, dated April 15, 1982 and shall be payable to the purchaser or its registered assigns. At the option of the purchaser, the Bond may be converted into fully registered bonds in the denomination of \$5,000 or any multiple thereof.

The Series 1982 Bond shall bear interest at a rate per annum equal to sixty-nine percent (69%) of the rate announced publicly by Bank at its Los Angeles or San Francisco Executive Offices as its "prime rate" for unsecured commercial borrowings, the rate of interest applicable to the Series 1982 Bond to change on and as of the date of any change in said prime rate, but in no event less than seven percent (7%) per annum, nor greater than twenty-five percent (25%) per annum, payable monthly during the term of the Bond.

The principal of the Bond shall mature ten years from its date of issue. However, the Bond shall be subject to mandatory sinking fund redemption beginning seven years from its date of issue, payable on the anniversary date of issue, as follows:

<u>Redemption Date (Years from issue date)</u> <u>Sinking Fund Installment</u>	
Seventh year	\$80,000
Eighth year	80,000
Ninth year	80,000

The maximum net effective interest rate authorized for the Series 1982 Bond is twenty-five percent (25.00%) per annum.

The Series 1982 Bond shall be payable at The Colorado National Bank of Denver, in Denver, Colorado. Interest on the Series 1982 Bond shall be paid by check or draft mailed by the Trustee to the registered holder(s).

The Series 1982 Bond is subject to mandatory redemption in whole at any time in the event (1) the Borrower shall be obligated to prepay the Note and to cause the Bond to be redeemed at a redemption price equal to 103% of the principal amount of the Bond plus interest accrued to the date of redemption, as provided in

Section 5.03(b) of the Loan Agreement, upon the occurrence of a Determination of Taxability (as defined in Section 1.01 of the Loan Agreement), or (2) the Bank shall declare immediately due and payable the contingent liability of the Bank under the Letter of Credit pursuant to the Letter of Credit Agreement between the Borrower and the Bank; or (3) the Letter of Credit shall expire, or (4) there is delivered to the Trustee an opinion of counsel acceptable to the Trustee to the effect that the Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in the Loan Agreement by reason of any changes in the Constitution of the State of Colorado or the Constitution of the United States of America or by reason of legislative or administrative action (whether State or Federal) or any final decree, judgement or order of any court or administrative body (whether State or Federal) and within thirty (30) days after notice is given to the Borrower of the delivery of the opinion of counsel, the Borrower shall not have delivered an opinion of counsel to the Trustee acceptable to the Trustee to the effect that the Loan Agreement is in full force and effect and is enforceable in accordance with its terms and may be performed by the Borrower as provided therein, or (5) the Borrower shall elect to exercise its opinion to prepay the Note and to cause the Bonds to be redeemed as provided in Section 5.02 of the Loan Agreement, if any of the following shall have occurred:

(a) The Project shall have been damaged or destroyed (in whole or in part) by fire or other casualty to such extent that, in the opinion of the Borrower expressed in a certificate filed with the Issuer and the Trustee (i) the completion of the Project will be delayed for at least six months, (ii) it is not practicable or desirable to rebuild, repair or restore the Project within a period of at least six consecutive months following such damage or destruction, or (iii) the Borrower is or will be thereby prevented from carrying on its normal operations at the Project for a period of at least six consecutive months.

(b) Title to, or the temporary use of, all or substantially all the Project shall have been taken under the exercise of the power of eminent domain by any governmental authority to such extent that, in the opinion of the Borrower expressed in a certificate filed with the Issuer and the Trustee (i) the completion of the Project shall be delayed for at least six months or (ii) the Borrower is or will be thereby prevented from carrying on its normal operations at the Project for a period of at least six consecutive months.

(c) As a result of any changes in the Constitution of Colorado or the Constitution of the United States of America or of legislative or administrative action or by final decree, judgement or order of any court or administrative body (whether State or Federal) unreasonable burdens or excessive liabilities shall have been imposed on the Issuer or the Borrower, including without limitation Federal, State or other ad valorem, property, income or other taxes not being imposed on the date of the Loan Agreement.

(d) Changes which the Borrower cannot reasonably control, which in the judgement of the Borrower renders the Project uneconomic, as

expressed in a certificate filed with the Issuer and the Trustee.

(e) Any court or administrative body shall enter a judgement, order or decree requiring the Borrower to cease all or any substantial part of its operations at the Project, to such extent that, in the opinion of the Borrower (as defined in the Indenture) expressed in a certificate filed with the Issuer and the Trustee, the Borrower is or will be thereby prevented from carrying on its normal operations at the Project for a period of six consecutive months.

The Series 1982 Bond is subject to optional redemption by the Issuer prior to maturity on or after three years from the date of issue, as a whole or in part on any interest payment date (if in part, pro rata as provided in the Indenture) at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

Redemption Period	Redemption Price
Fourth Year	103%
Fifth Year	102-1/2%
Sixth Year	102%
Seventh Year	101-1/2%
Eighth Year	101%
Ninth Year	100-1/2%
Tenth Year and thereafter	100%

Section 5. Determinations. It is hereby found, determined and declared that:

(a) the amount necessary in each year to pay the principal of and the interest on the Series 1982 Bond is as set forth in Exhibit A attached hereto, assuming that the maximum tax exempt interest rate of twenty-five percent (25.00%) is in effect.

(b) a Bond Fund shall be established in connection with the issuance of the Series 1982 Bond and the Proceeds derived therefrom; no reserve fund shall be established;

(c) the Loan Agreement provides that the Borrower shall maintain the Project and carry all proper insurance with respect thereto;

(d) the Loan Agreement requires that the Borrower pay the taxes which the taxing entities specified in Section 29-3-120(3) of the Act are entitled to receive with respect to the Project;

(e) the payments required to be made by the Loan Agreement are sufficient to pay the principal of and interest on the Series 1982 Bond, when due, and are sufficient to pay all other costs required to be paid by the Loan Agreement.

(f) the Project, as more fully described in the Loan Agreement, constitutes a project authorized by and described in Section 29-3-103(10) of the Act, and will serve a valid public purpose;

(g) the issuance and sale of the Bond, the execution and delivery of the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Deed of Trust, and the Assignment and the performance of all covenants and agreements of the City contained in the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Deed of Trust, and the Assignment and all actions required under the laws of the State of Colorado to make the Loan Agreement and the Bond valid and binding obligations of the City in accordance with their terms, are authorized by the Act.

(h) there is no litigation pending or, to the best of its knowledge, threatened against the City relating to the Project or to the Bond, Loan Agreement, Indenture, Bond Purchase Agreement, Letter of Credit, Deed of Trust or Assignment or questioning the organization, powers, or authority of the City.

(i) the execution, delivery and performance of the City's obligations under the Bond, the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Deed of Trust, and the Assignment have been fully authorized by all requisite action and do not and will not violate any law, any order of any court or other agency of government, any ordinance or resolution of the City, or any indenture, agreement or other instrument to which the City is a party or by which it or any of its property is bound, or be in conflict with, result in breach of, or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument.

(j) no member of the City Council of the City having acted upon this Ordinance in his or her official capacity: (i) has a direct or indirect interest in the Project, Loan Agreement, Indenture, Bond Purchase Agreement, Letter of Credit, Deed of Trust Assignment or Bond, (ii) owns any interest in the Project or the Borrower, (iii) is a partner or employee of the Borrower, (iv) will be involved in supervising the completion of the Project on behalf of the Borrower, or (v) will receive any commission, bonus, or other remuneration for or in respect to the Project, the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Letter of Credit, the Deed of Trust, the Assignment or the Bond.

Section 6. Form and Execution of Bond. The Bond shall be signed by the manual signature of the Mayor of the City, shall be sealed with an impression of the corporate seal of the City, and shall be countersigned and attested by the manual signature of the City Clerk. Should any officer whose manual signature appears on said Bond cease to be such officer before delivery of the Bond to the purchaser, such manual signature shall nevertheless be valid and sufficient for all purposes.

The Series 1982 Bond shall be in substantially the following form:

No. R-1

\$1,600,000

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF MESA

CITY OF GRAND JUNCTION

INDUSTRIAL DEVELOPMENT REVENUE BOND
(HERRICK & CAMPBELL PROJECT)
SERIES 1982

(1) For value received, the CITY OF GRAND JUNCTION, STATE OF COLORADO, a body corporate and politic and a political subdivision duly organized and existing under the Constitution and laws of the State of Colorado (the "Issuer"), for value received, will pay to _____, or registered assigns, solely out of the revenues and receipts referred to, the sum of ONE MILLION SIX HUNDRED THOUSAND DOLLARS (\$1,600,000) on April 15, 1992 with interest hereon from the date hereof at the rate per annum equal to sixty-nine percent (69%) of the rate announced publicly by Crocker National Bank at its Los Angeles or San Francisco Executive Offices as its "prime rate" for unsecured commercial borrowings, the rate of interest applicable to this Series 1982 Bond to change on and as of the date of any change in said prime rate, but in no event less than seven percent (7%) per annum, nor greater than twenty-five percent (25%) per annum payable on _____, 198_____, and the day of each month thereafter until the maturity hereof. The principal of and the interest and premium (if any) on this Bond shall be payable in lawful money of the United States of America. The principal of and the premium (if any) on this Bond shall be payable at the principal office of The Colorado National Bank of Denver, in Denver, Colorado, or its successor as Trustee under the Indenture hereinafter, referred to, and the interest on this Bond shall (except for the final payment of such interest which shall be made only upon the surrender of this Bond) be remitted by the Trustee hereinafter referred to, by check or draft mailed or otherwise delivered to the then registered holder hereof at the address shown on the registry books of the said Trustee.

(2) This Bond is issued under the County and Municipality Development Revenue Bond Act, Title 29, Article 3, Colorado Revised Statutes 1973, as amended, (the "Act"), and in conformity with the provisions, restrictions and limitations thereof. This Bond and the interest hereon shall never constitute the debt or indebtedness of the Issuer within the meaning of any provision or limitation of the State Constitution, Statutes, or the Issuer's home rule charter, and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers. This Bond and interest hereon are payable solely and only from the (i) moneys received under the Loan Agreement and Note of Herrick & Campbell, a California general partnership (the "Borrower") (hereinafter defined), (ii) moneys held by the Trustee in the Fund appropriated to the payment of the Bonds of this Series under the Indenture, hereinafter mentioned, and (iii) all moneys drawn by the Trustee under the irrevocable Letter of Credit dated _____, of Crocker National Bank, in Los Angeles, California (the "Bank") in favor of the Trustee issued at the request and for the account of the Borrower (the "Letter of Credit").

(3) This Bond is one of a duly authorized series of special obligation Bonds of an aggregate principal amount of \$1,600,000, all of which have been authorized by law to be issued and have

been issued or are to be issued for the purpose of funding a loan from the Issuer to the Borrower to enable the Borrower to develop land within the Issuer as a site for and construct and equip a building or buildings thereon for use as a 134 unit motel (the "Project"), pursuant to a Loan Agreement (the Loan Agreement) between the Issuer and the Borrower dated as of _____, 1982, the Promissory Note (herein called the "Note") of the Borrower which has been issued to secure payment of the Loan, a Bond Ordinance of the Issuer finally passed and adopted on or about _____, 1982, and a Trust Indenture (the "Indenture") dated as of _____, 1982, duly executed and delivered by the Issuer to the Trustee. The Bonds of this series are equally and ratably secured by the Loan Agreement, the Indenture, the Note, the Letter of Credit, the Bond Ordinance, a Construction and Permanent Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the "Deed of Trust") dated as of _____, 1982, between the Borrower and the Public Trustee of the County of Mesa for the benefit of both the Bank and the Issuer, and an Assignment of Rents and Lessor's Interest in Leases (the "Assignment"), dated as of _____, 1982, among the Borrower, the Bank, and the Issuer, to which Loan Agreement, Note, Indenture, the Letter of Credit, Bond Ordinance, Deed of Trust, and Assignment and amendments thereof reference is hereby made for a description and limitation of the revenues and property pledged to secure the payment of the Bonds, the nature and extent of the security thereby created, the rights of the holders of the Bonds, the conditions of the issuance of additional parity lien bonds, the rights, duties and immunities of the Trustee, and the rights, immunities and obligations of the Issuer thereunder. Certified copies of the Bond Ordinance and executed counterparts of the Indenture, Note, the Letter of Credit, Loan Agreement, the Deed of Trust, and the Assignment are on file at the office of the Trustee and at the office of the City Clerk of the Issuer.

(4) The Bonds are subject to mandatory redemption in whole at any time in the event (1) the Borrower shall be obligated to prepay the Note and to cause the Bonds to be redeemed as provided in Section 5.03(b) of the Loan Agreement upon the occurrence of a Determination of Taxability (as defined in Section 1.01 of the Loan Agreement), or (2) the Bank shall declare immediately due and payable the contingent liability of the Bank under the Letter of Credit pursuant to the Letter of Credit Agreement between the Borrower and the Bank; or (3) the Letter of Credit shall expire; or (4) there is delivered to the Trustee an opinion of counsel acceptable to the Trustee to the effect that the Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in the Loan Agreement by reason of any changes in the Constitution of the State of Colorado or the Constitution of the United States of America or by reason of legislative or administrative action (whether State or Federal) or any final decree, judgement or order of any court or administrative body (whether State or Federal) and within thirty (30) days after notice is given to the Borrower of the delivery of the opinion of Counsel, the Borrower shall not have delivered an

opinion of counsel to the Trustee acceptable to the Trustee to the effect that the Loan Agreement is in full force and effect and is enforceable in accordance with its terms and may be performed by the Borrower as provided therein, or (5) the Borrower shall elect to exercise its option to prepay the Note and to cause the Bonds to be redeemed as provided in Section 5.02 of the Loan Agreement, if any of the following shall have occurred:

(a) The Project shall have been damaged or destroyed (in whole or in part) by fire or other casualty to such extent that, in the opinion of the Borrower expressed in a certificate filed with the Issuer and the Trustee (i) the completion of the Project will be delayed for at least six months, (ii) it is not practicable or desirable to rebuild, repair or restore the Project within a period of at least six consecutive months following such damage or destruction, or (iii) the Borrower is or will be thereby prevented from carrying on its normal operations at the Project for a period of at least six consecutive months.

(b) Title to, or the temporary use of, all or substantially all the Project shall have been taken under the exercise of the power of eminent domain by any governmental authority to such extent that, in the opinion of the Borrower expressed in a certificate filed with the Issuer and the Trustee (i) the completion of the Project shall be delayed for at least six months or (ii) the Borrower is or will be thereby prevented from carrying on its normal operations at the Project for a period of at least six consecutive months.

(c) As a result of any changes in the Constitution of Colorado or the Constitution of the United States of America or of legislative or administrative action or by final decree, judgment or order of any court or administrative body (whether State or Federal) unreasonable burdens or excessive liabilities shall have been imposed on the Issuer or the Borrower, including without limitation Federal, State or other ad valorem, property, income or other taxes not being imposed on the date of the Loan Agreement.

(d) Changes, which the Borrower cannot reasonably control, which in the judgement of the Borrower renders the Project uneconomic, as expressed in a certificate filed with the Issuer and the Trustee.

(e) Any court or administrative body shall enter a judgement, order or decree requiring the Borrower to cease all or any substantial part of its operations at the Project, to such extent that, in the opinion of the Borrower (as defined in the Indenture) expressed in a certificate filed with the Issuer and the Trustee, the Borrower is or will be thereby prevented from carrying on its normal operations at the Project for a period of six consecutive months.

(5) If called for redemption as a result of the events referred to in (2), (3), (4) and (5) above, the Bonds shall be subject to redemption by the Issuer at any time as a whole at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date. If called for redemption as a result of a Determination of Taxability referred to in (1) above, the Bonds shall be subject to redemption by the Issuer at any time as a whole at a redemption price equal to 103% of the principal

amount thereof plus accrued interest to the redemption date.

(6) The Bonds are subject to optional redemption by the Issuer prior to maturity on or after April 15, 1985, as a whole or in part on any interest payment date (if in part, pro rata as provided in the Indenture) at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<u>Redemption Dates (Dates Inclusive)</u> <u>Redemption Price</u>	
April 15, 1985 to April 14, 1986 103%	
April 15, 1986 to April 14, 1987 102 1/2%	
April 15, 1987 to April 14, 1988 102%	
April 15, 1988 to April 14, 1989 101 1/2%	
April 15, 1989 to April 14, 1990 101%	
April 15, 1990 to April 14, 1991 100 1/2%	
April 15, 1991 and thereafter 100%	

(7) As and for a sinking fund for the mandatory redemption of the Bonds maturing on April 15, 1992, the Borrower shall deposit in the Bond Fund on or before _____, 1989, and on or before each _____ thereafter to and including _____, 1991, Sinking Fund Installments each in a sum which together with other moneys available therefor in the Bond Fund, is sufficient to redeem (after credit as provided below) the following principal amounts of the Bonds on the dates specified at the par amount thereof plus accrued interest to the redemption date:

<u>Redemption Date</u> <u>Sinking Fund Installment</u>	
April 15, 1989	\$80,000
April 15, 1990	80,000

April 15, 199180,000	
----------------------	--

On or before the thirtieth (30th) day prior to each such Sinking Fund Installment date, the Trustee shall proceed to select for redemption (by lot in such manner as the Trustee shall determine) and call the Bonds (or any Substitute Bonds) for redemption from such sinking fund on the next April 15, and give notice of such call.

(8) Notice of redemption shall be mailed at least thirty (30) days before the redemption date to each Holder of the Bonds to be redeemed at his last address appearing on the Bond Register of the Trustee, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for redemption of any Bond not affected by such defect or failure. Any notice mailed as provided in this subsection shall be conclusively presumed to have been duly given, whether or not the owner receives the notice. Each notice of redemption shall specify the date fixed for redemption, the Bond or Bonds to be redeemed, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Outstanding Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Bonds to be redeemed.

(9) The Issuer with the consent of the Borrower, is authorized by the Indenture to issue thereunder, upon the terms and conditions therein specified, additional bonds that are secured on a parity with the Series 1982 Bonds. Such additional parity bonds may be issued, at any time and from time to time, for the purposes of (i) obtaining funds, if additional funds are needed, to pay the cost of completing the work of improving the Project for which the Series 1982 Bonds were issued, (ii) obtaining funds to pay the cost of making additions and improvements to the Project (iii) refunding and retiring all or any portion of any one or more series of bonds then outstanding under the Indenture and (iv) any combination of the foregoing purposes (the Series 1982 Bonds and all such additional parity bonds being herein together called the "Bonds").

(10) The Indenture provides, inter alia, (a) that upon certain events of default by the Issuer in the manner and for the time therein provided, the Trustee may declare the principal of and the interest accrued on this Bond immediately due and payable, whereupon the same shall thereupon become immediately due and payable and the Trustee shall be entitled to pursue the remedies provided in the Indenture, (b) that the holder of this Bond shall have no right to enforce the provisions of the Indenture except as provided therein and then only for the equal and pro rata benefit of the holders of all the Bonds and (c) that if this Bond shall not be presented for payment when due (whether by maturity or otherwise) and if funds sufficient for such payment shall have been made available to the Trustee therefor, all liability of the

Issuer to the holder of such Bond or under the Indenture shall cease and terminate and that the sole right of such holder shall thereafter be against the said funds so made available, which the Trustee is required to set aside and hold, subject to any applicable escheat or other similar law, for the benefit of such holder. The Indenture also provides that the Issuer and the Trustee, with the written consent of the holders of not less than two-thirds in aggregate principal amount of the Bonds then outstanding under the Indenture, may at any time and from time to time amend the Indenture or any indenture supplemental thereto, provided that no such amendment shall (1) without the consent of the holder of each Bond affected, reduce the principal of, the rate of interest on, or the premium (if any) payable on redemption of, any Bond, or (ii) without the consent of the holders of all the Bonds then outstanding under the Indenture, extend the maturity of any installment of principal of or interest on any of the Bonds, make any change in the provisions of the Indenture that require the redemption of any of the Bonds prior to maturity, create a lien or charge on the revenues and receipts pledged under the Indenture (including the loan repayment amounts payable under the Loan Agreement) ranking prior to or (except in connection with the issuance of additional parity bonds under the Indenture) on a parity with the lien and charge thereon contained in the Indenture effect a preference or priority of any Bond over any other Bond or reduce the aggregate principal amount of Bonds the holders of which are required to consent to any such amendment. The Indenture further provides that the Issuer and the Borrower, with the written consent of the holders of not less than two-thirds in aggregate principal amount of the Bonds then outstanding under the Indenture, may at any time and from time to time amend, change or modify the Loan Agreement, provided that no such amendment, change or modification shall, without the consent of the holders of all the Bonds then outstanding under the Indenture, permit (i) a reduction on the amount of loan repayment amounts payable under the Loan Agreement (other than a reduction resulting from and directly proportional to, a reduction in the amounts required for payment of the principal of or the interest or premium (if any) on the Bonds), (ii) any change in the due dates of the installments of such loan repayment amounts or (iii) any other change that, in the sole and uncontrolled judgment of the Trustee, might adversely affect the interest of the holder of the Bonds.

(11) It is hereby expressly declared, and the holder hereof by acceptance of this Bond hereby consents, that the Series 1982 Bonds shall not have or be entitled to any priority over the bonds of any other series hereafter issued under the Indenture, with respect to said pledge of said revenues and receipts, and that any series of Bonds hereafter issued under the Indenture shall be on a parity, with respect to said pledge and lien, with the Bonds of all series theretofore issued under the Indenture.

(12) It is hereby certified that all conditions, actions and things required by the Constitution and laws of the State of Colorado to exist, be performed and happen precedent to or in the issuance of this Bond do exist, have been performed and have happened in due and legal form.

(13) The Series 1982 Bonds will be issued as fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. Provision is made in the indenture for the exchange of any of the Bonds for a like aggregate principal amount of other bonds in any other multiples of \$5,000, as may be requested by the holder surrendering the Series 1982 Bond or Bonds to be so exchanged and upon the terms and conditions specified in the Indenture.

(14) This Bond is transferable by the registered holder hereof in person, or by duly authorized attorney, only on the books of the Trustee and only upon surrender of this Bond to the Trustee for cancellation, and upon any such transfer a new fully registered bond of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly provided in the Indenture.

(15) The Trustee shall not be required so to register, transfer or exchange this Bond during the period of fifteen (15) days next preceding any interest payment date with respect thereto; and in the event this Bond is duly called for redemption, the Trustee shall not be required so to register, transfer or exchange it during the period of forty-five (45) days next preceding the date fixed for its redemption.

(16) Execution by the Trustee of its authentication certificate hereon is essential to the validity hereof and is conclusive of the due issue hereof under the Indenture.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name and behalf by the manual or facsimile signature of the Mayor, has caused a facsimile or manual impression of its corporate seal to be hereunto imprinted, has caused this Bond to be manually countersigned and attested by its City Clerk, and has caused this Bond to be dated as of the 15th day of April, 1982.

(SEAL)

CITY OF GRAND JUNCTION, STATE OF COLORADO

(Manual or Facsimile Signature)

(Do Not Sign)

By:

Mayor

COUNTERSIGNED AND ATTESTED:

(Manual Signature)

(Do Not Sign)

City Clerk

This is one of the Bonds described in the within mentioned Indenture of Trust.

The Colorado National Bank of Denver, as Trustee

(Manual Signature)

(Do Not Sign)

By:

Authorized Officer

(END OF FORM OF SERIES 1982 BOND)

Section 7. Limited Nature of Obligation and Covenants of the City. Under the provisions of the Act, and as provided in the Loan Agreement, the Series 1982 Bond shall be a special, limited obligation of the City payable solely from, and secured by a pledge of, the revenues as stated in the Loan Agreement and shall be further secured by the Letter of Credit, the lien of the Deed of Trust upon the Project, and the Assignment. The City will not pledge any of its property or secure the payment of the Series 1982 Bond with its property. The Series 1982 Bond shall never constitute the debt or indebtedness of the City within the meaning of any provision or limitation of the state constitution, statutes or the City's home rule charter and shall not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers. In entering into the Loan Agreement, the City will not obligate itself, except with respect to the Project and the application of the revenues therefrom and Bond Proceeds therefor. The City will not pay out of its general fund or otherwise contribute any part of the Cost of the Project, as said term is defined in the Loan Agreement.

The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Ordinance, in the Bond and in all proceedings of its City Council pertaining thereto. The City covenants that it is duly authorized under the Constitution and laws of the State of Colorado, including particularly and without limitation the Act, and by the authority of its Charter, to issue the Bond authorized hereby, and to pledge and assign the revenues and receipts hereby pledged and assigned in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bond has been duly and effectively taken and that the Bond is and will be the valid and enforceable special, limited obligation of the City according to the true intent and meaning thereof.

The City covenants that it will execute, acknowledge and deliver such instruments, financing statements and other documents as the Trustee may reasonably require for the better assuring, pledging and assigning unto the Trustee the rights of the City in and to the revenues and receipts hereby assigned and pledged to the payment of the principal of and interest on the Bond. The City covenants and agrees that, except as herein and in the Indenture provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the revenues and receipts derived from the Loan Agreement, or of its rights under the Loan Agreement.

The City covenants and agrees that all books and documents in its possession relating to the Project and the revenues and receipts derived from the Loan Agreement shall at all reasonable times be open to inspection by the Bondholder or such accountants or other agencies as such Bondholder may from time to time designate.

The City covenants and agrees that it shall enforce all of its rights and all of the obligations of the Borrower under the Loan Agreement for the benefit of the Bondholder. The City shall protect the rights of the Bondholder hereunder with respect to the

assignment and pledge of the revenues and receipts coming due under the Loan Agreement.

Section 8. Bond Ordinance Irrepealable. After the Series 1982 Bond is issued, this Bond Ordinance shall constitute an irrevocable contract between the City and the Bondholder and shall be and remain irrepealable until the Series 1982 Bond, as to both principal and interest, shall be fully paid, cancelled and discharged.

Section 9. Termination of Obligations. All rights and obligations of the City and the Borrower under the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Letter of Credit, the Deed of Trust, the Assignment, the Bond, and this Ordinance shall terminate and such instruments shall cease to be of further effect, and the Bondholder shall cancel the Bond, deliver it to the City, and deliver a copy of the cancelled Bond to the Borrower, and shall assign and deliver to the Borrower any moneys in the Bond Fund required to be paid to the Borrower under the Indenture (except moneys held by the Trustee for the payment of principal of or interest on the Bond) when:

(a) all expenses of the City and the Trustee shall have been paid;

(b) the City and the Borrower shall have performed all of their covenants and promises in the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Letter of Credit, the Deed of Trust, the Assignment, the Bond, and in this Ordinance; and

(c) all principal of and interest on the Bond have been paid.

Section 10. Authorizing Action. The officers of the City shall take all action in conformity with the Act necessary or reasonably required to effectuate the provisions of the Bond and the Loan Agreement and shall take all action necessary or desirable in conformity with the Act to finance the Project, including incidental issuing expenses, and for carrying out, giving effect to, and consummating transactions contemplated by this Ordinance, the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Letter of Credit, the Deed of Trust, and the Assignment, including without limitation, the execution and delivery of any documents to be filed with the Internal Revenue Service to complete the election for the application of the \$10,000,000 small issue exemption pursuant to Section 103(b)(6)(D) of the Code, and any closing documents to be delivered in connection with the sale and delivery of the Bond.

Section 11. Ratification. All actions heretofore taken by the City and by the officers thereof not inconsistent herewith directed toward the financing of the Project and the issuance and sale of the Series 1982 Bond are hereby ratified, approved, and confirmed.

Section 12. Limitation of Actions. Pursuant to Section 29-3-122 of the Act, no action shall be brought questioning the legality of the Loan Agreement, the Indenture, the Bond Purchase Agreement, the Letter of Credit, the Deed of Trust, the Assignment, and the Bond, or any other contract or proceeding executed in connection with the Project on and after thirty days from the effective date of this Bond Ordinance.

Section 13. Repealer. All acts, orders, resolutions, or parts thereof taken by the City and in conflict with this Bond Ordinance are hereby repealed, except that this repealer shall not be

construed so as to revive any act, order, resolution, or part thereof, heretofore repealed.

Section 14. Severability. If any paragraph, clause or provision of this Bond Ordinance is judicially adjudged invalid or unenforceable, such judgment shall not affect, impair or invalidate the remaining paragraphs, clauses or provisions hereof.

Section 15. Recording, Authentication, Publication, and Effective Date. This Ordinance shall be numbered and recorded in the City's book of ordinances, marked "Ordinance Record", and the adoption and publication shall be authenticated by the signatures of the Mayor and City Clerk, and by the certificate of its publication once, in full, in the Grand Junction Daily Sentinel at least ten days before its final passage, and once after such passage, in accordance with the provisions of the City Charter.

INTRODUCED AND PASSED ON FIRST READING, This 17th day of March, 1982.

Frank M. Dunn

Mayor Pro Tem
(SEAL)

ATTESTED:

Neva B. Lockhart, CMC

City Clerk

The foregoing Ordinance will be presented for final passage at a regular meeting of the City Council to be held at the City Hall, in Grand Junction, Colorado, on Wednesday, the 7th day of April, 1982, at 7:30 P.M.

FINALLY PASSED AND ADOPTED this 7th day of April, 1982.

Louis R. Brach

Mayor
(SEAL)

ATTESTED:

Neva B. Lockhart, CMC

City Clerk

HERRICK & CAMPBELL PROJECT
LOAN AMORTIZATION SCHEDULE
\$1,600,000 Principal Amount
10-year Term

25% Interest Paid Monthly

5% Principal Amount Due at the End of Year 7, Year 8 and Year 9;

Balance Due at End of Year 10

Year	Mont					
------	------	--	--	--	--	--

<u>hPeriod</u>						
<u>Interest</u>						
<u>Principa</u>						
<u>lEnding</u>						
<u>BalanceT</u>						
<u>otal</u>						
<u>Payment</u>						
111\$33,3 33.33\$0. 00\$1,600 ,000.00 \$33,333. 33						
2233,333 .330.001 ,600,000 .0033,33 3.33						
3333,333 .330.001 ,600,000 .0033,33 3.33						
4433,333 .330.001 ,600,000 .0033,33 3.33						
5533,333 .330.001 ,600,000 .0033,33 3.33						
6633,333 .330.001						

,600,000 .0033,33 3.33						
7733,333 .330.001 ,600,000 .0033,33 3.33						
8833,333 .330.001 ,600,000 .0033,33 3.33						
9933,333 .330.001 ,600,000 .0033,33 3.33						
101033,3 33.330.0 01,600,0 00.00 33,333.3 3						
111133,3 33.330.0 01,600,0 00.00 33,333.3 3						
121233,3 33.330.0 01,600,0 00.00 33,333.3						

3						
211333,3 33.330.0 01,600,0 00.00 33,333.3 3						
21433,33 3.330.00 1,600,00 0.00 33,333.3 3						
31533,33 3.330.00 1,600,00 0.00 33,333.3 3						
41633,33 3.330.00 1,600,00 0.00 33,333.3 3						
51733,33 3.330.00 1,600,00 0.00 33,333.3 3						
61833,33 3.330.00 1,600,00 0.00						

33,333.3 3						
71933,33 3.330.00 1,600,00 0.00 33,333.3 3						
82033,33 3.330.00 1,600,00 0.00 33,333.3 3						
92133,33 3.330.00 1,600,00 0.00 33,333.3 3						
102233,3 33.330.0 01,600,0 00.00 33,333.3 3						
112333,3 33.330.0 01,600,0 00.00 33,333.3 3						
122433,3 33.330.0 01,600,0						

00.00 33,333.3 3						
312533,3 33.330.0 01,600,0 00.00 33,333.3 3						
22633,33 3.330.00 1,600,00 0.00 33,333.3 3						
32733,33 3.330.00 1,600,00 0.00 33,333.3 3						
42833,33 3.330.00 1,600,00 0.00 33,333.3 3						
52933,33 3.330.00 1,600,00 0.00 33,333.3 3						
63033,33 3.330.00						

1,600,00 0.00 33,333.3 3						
73133,33 3.330.00 1,600,00 0.00 33,333.3 3						
83233,33 3.330.00 1,600,00 0.00 33,333.3 3						
93333,33 3.330.00 1,600,00 0.00 33,333.3 3						
103433,3 33.330.0 01,600,0 00.00 33,333.3 3						
113533,3 33.330.0 01,600,0 00.00 33,333.3 3						
123633,3						

33.330.0 01,600,0 00.00 33,333.3 3						
413733,3 33.330.0 01,600,0 00.00 33,333.3 3						
23833,33 3.330.00 1,600,00 0.00 33,333.3 3						
33933,33 3.330.00 1,600,00 0.00 33,333.3 3						
44033,33 3.330.00 1,600,00 0.00 33,333.3 3						
54133,33 3.330.00 1,600,00 0.00 33,333.3 3						

64233,33 3.330.00 1,600,00 0.00 33,333.3 3						
74333,33 3.330.00 1,600,00 0.00 33,333.3 3						
84433,33 3.330.00 1,600,00 0.00 33,333.3 3						
94533,33 3.330.00 1,600,00 0.00 33,333.3 3						
104633,3 33.330.0 01,600,0 00.00 33,333.3 3						
114733,3 33.330.0 01,600,0 00.00 33,333.3						

3						
124833,3 33.330.0 01,600,0 00.00 33,333.3 3						
514933,3 33.330.0 01,600,0 00.00 33,333.3 3						
25033,33 3.330.00 1,600,00 0.00 33,333.3 3						
35133,33 3.330.00 1,600,00 0.00 33,333.3 3						
45233,33 3.330.00 1,600,00 0.00 33,333.3 3						
55333,33 3.330.00 1,600,00 0.00						

33,333.3 3						
65433,33 3.330.00 1,600,00 0.00 33,333.3 3						
75533,33 3.330.00 1,600,00 0.00 33,333.3 3						
85633,33 3.330.00 1,600,00 0.00 33,333.3 3						
95733,33 3.330.00 1,600,00 0.00 33,333.3 3						
105833,3 33.330.0 01,600,0 00.00 33,333.3 3						
115933,3 33.330.0 01,600,0						

00.00 33,333.3 3						
126033,3 33.330.0 01,600,0 00.00 33,333.3 3						
616133,3 33.330.0 01,600,0 00.00 33,333.3 3						
26233,33 3.330.00 1,600,00 0.00 33,333.3 3						
36333,33 3.330.00 1,600,00 0.00 33,333.3 3						
46433,33 3.330.00 1,600,00 0.00 33,333.3 3						
56533,33 3.330.00						

1,600,00 0.00 33,333.3 3						
66633,33 3.330.00 1,600,00 0.00 33,333.3 3						
76733,33 3.330.00 1,600,00 0.00 33,333.3 3						
86833,33 3.330.00 1,600,00 0.00 33,333.3 3						
96933,33 3.330.00 1,600,00 0.00 33,333.3 3						
107033,3 33.330.0 01,600,0 00.00 33,333.3 3						
117133,3						

33.330.0 01,600,0 00.00 33,333.3 3						
127233,3 33.330.0 01,600,0 00.00 33,333.3 3						
717333,3 33.330.0 01,600,0 00.00 33,333.3 3						
27433,33 3.330.00 1,600,00 0.00 33,333.3 3						
37533,33 3.330.00 1,600,00 0.00 33,333.3 3						
47633,33 3.330.00 1,600,00 0.00 33,333.3 3						

57733,33 3.330.00 1,600,00 0.00 33,333.3 3						
67833,33 3.330.00 1,600,00 0.00 33,333.3 3						
77933,33 3.330.00 1,600,00 0.00 33,333.3 3						
88033,33 3.330.00 1,600,00 0.00 33,333.3 3						
98133,33 3.330.00 1,600,00 0.00 33,333.3 3						
108233,3 33.330.0 01,600,0 00.00 33,333.3						

3						
118333,3 33.330.0 01,600,0 00.00 33,333.3 3						
128433,3 33.3380, 000.001, 520,000. 00 113,333. 33						
818531,6 66.670.0 01,520,0 00.00 31,666.6 7						
28631,66 6.670.00 1,520,00 0.00 31,666.6 7						
38731,66 6.670.00 1,520,00 0.00 31,666.6 7						
48831,66 6.670.00 1,520,00						

0.00 31,666.6 7						
58931,66 6.670.00 1,520,00 0.00 31,666.6 7						
69031,66 6.670.00 1,520,00 0.00 31,666.6 7						
79131,66 6.670.00 1,520,00 0.00 31,666.6 7						
89231,66 6.670.00 1,520,00 0.00 31,666.6 7						
99331,66 6.670.00 1,520,00 0.00 31,666.6 7						
109431,6 66.670.0						

01,520,0 00.00 31,666.6 7						
119531,6 66.670.0 01,520,0 00.00 31,666.6 7						
129631,6 66.6780, 000.001, 440,000. 00 111,666. 67						
919730,0 00.000.0 01,440,0 00.00 30,000.0 0						
29830,00 0.000.00 1,440,00 0.00 30,000.0 0						
39930,00 0.000.00 1,440,00 0.00 30,000.0 0						

410030,0 00.000.0 01,440,0 00.00 30,000.0 0						
510130,0 00.000.0 01,440,0 00.00 30,000.0 0						
610230,0 00.000.0 01,440,0 00.00 30,000.0 0						
710330,0 00.000.0 01,440,0 00.00 30,000.0 0						
810430,0 00.000.0 01,440,0 00.00 30,000.0 0						
910530,0 00.000.0 01,440,0 00.00 30,000.0						

0						
1010630, 000.000. 001,440, 000.00 30,000.0 0						
1110730, 000.000. 001,440, 000.00 30,000.0 0						
1210830, 000.0080 ,000.001 ,360,000 .00 110,000. 00						
10110928 ,333.330 .001,360 ,000.00 28,333.3 3						
211028,3 33.330.0 01,360,0 00.00 28,333.3 3						
311128,3 33.330.0 01,360,0						

00.00 28,333.3 3						
411228,3 33.330.0 01,360,0 00.00 28,333.3 3						
511328,3 33.330.0 01,360,0 00.00 28,333.3 3						
611428,3 33.330.0 01,360,0 00.00 28,333.3 3						
711528,3 33.330.0 01,360,0 00.00 28,333.3 3						
811628,3 33.330.0 01,360,0 00.00 28,333.3 3						
911728,3 33.330.0						

01,360,0 00.00 28,333.3 3						
1011828, 333.330. 001,360, 000.00 28,333.3 3						
1111928, 333.330. 001,360, 000.00 28,333.3 3						
1212028, 333.33 <u>1,360,00</u> 0.00 <u>0.001,38</u> <u>8,333.33</u>						
\$3,879,9 99.72\$1, 600,000. 00 \$5,479,9 99.72						

I HEREBY CERTIFY that the foregoing ordinance, being Ordinance No. 2041, 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 17th day of March, 1982, 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 8th day of April, 1982.

Neva B. Lockhart

Neva B. Lockhart, CMC
City Clerk
Published: March 19, 1982
Final Publication: April 9, 1982
Effective: May 9, 1982