

ORDINANCE NO. 2151

AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF GRAND JUNCTION, COLORADO, TAX INCREMENT BOND ANTICIPATION NOTES, DATED DECEMBER 1, 1983, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,250,000, FOR THE PURPOSE OF PROVIDING PUBLIC IMPROVEMENTS DESIGNED TO IMPROVE TRAFFIC AND PEDESTRIAN CIRCULATION WITHIN THE DOWNTOWN AREA.

WHEREAS, the Grand Junction, Colorado, Downtown Development Authority (the Authority) has been duly organized and is validly existing as a Colorado downtown development authority in the City of Grand Junction, Colorado (the City), under part 8 of article 25 of title 31, Colorado Revised Statutes, as amended (the Act); and

WHEREAS, the Authority has proposed and submitted to the City Council the Downtown Development Authority Plan of Development for Grand Junction, Colorado (the Plan); and

WHEREAS, the Plan as proposed and submitted includes a provision for division of taxes as provided in Section 31-25-807(3) of the Act; and

WHEREAS, the Plan was approved by the City Council pursuant to a resolution thereof duly adopted on December 16, 1981 (the Resolution); and

WHEREAS, the Resolution creates a fund (the Tax Increment Fund) into which certain incremental ad valorem and municipal sales tax revenues (the Tax Increments) are to be deposited; and

WHEREAS, the Plan has been modified from time to time by amendments to the Resolution (the Amendments) to include additional property within the area subject to the Plan (the Plan Area); and

WHEREAS, pursuant to the Plan the County Assessor of Mesa County, Colorado, and the Finance Director of the City, respectively, have certified to the City Council for each portion of the Plan Area as originally composed or as thereafter added the last certified valuation for assessment of real property and the amount of municipal sales taxes collected for the last preceding twelve-month period described in Section 31-25-807(3)(a) of the Act as of the respective dates of adoption of the Resolution and the Amendments; and

WHEREAS, the City is empowered by Sections 31-25-807(3)(b) and 31-25-807(1) of the Act to pledge the Tax Increment Fund and the Tax Increments deposited therein for the payment of the principal of, the interest on, and any premiums due in connection with bonds, loans, advances, or indebtedness of the City, whether funded, refunded, assumed, or otherwise, for financing or refinancing, in whole or in part, any development project within the Plan Area if the question of issuing such bonds or otherwise providing for such loans, advances, or indebtedness and the question of such intended

pledge are first submitted for approval to the qualified electors of the district within which the Authority exercises its powers (the District) at a special election to be held for that purpose; and

WHEREAS, at a special election duly called and held on August 3, 1982, there was submitted to the qualified electors of the District the following question (the Ballot Question):

Shall the City of Grand Junction, Colorado, be authorized to issue bonds or provide for loans, advances or indebtedness (including, but not limited to, obligations payable from project revenues or special assessments, but not including obligations which are general obligations of the City) and to pledge for the payment of the principal thereof, the interest thereon, and any premiums due in connection therewith the Tax Increment Fund created by Resolution of the City Council on December 16, 1981, containing the ad valorem and municipal sales tax increment funds derived or to be derived from and attributable to development and redevelopment within the Grand Junction, Colorado, Downtown Development Authority, for the purpose of providing public improvements designed to improve traffic and pedestrian circulation within the downtown area, including, but not limited to, property acquisition for off-street parking, off-street surface and structure parking development, right-of-way acquisition, alleyway improvements, channelization, paving, curb and gutter improvements, landscaping, and traffic signal and control facilities, such bonds, loans, advances, and indebtedness not to exceed in aggregate principal amount the sum of \$10,000,000 at a maximum net effective interest rate of 18% per annum and the pledge of the Tax Increment Fund not to exceed 25 years in duration?

and

WHEREAS, as evidenced by the canvass of the returns of said special election and the declaration of the result thereof, duly made at a regular meeting of the City Council on August 4, 1982, a majority of said electors voting at said special election voted affirmatively on the Ballot Question; and

WHEREAS, the City has not heretofore issued any such bonds or provided for any such loans, advances or indebtedness pledging the Tax Increment Fund or the Tax Increments deposited therein; and

WHEREAS, the Authority has determined and submitted to the City the costs of a development project within the Plan Area consisting of property acquisition for off-street parking, off-street surface parking development, alleyway improvements, and a model street improvement project (the Project) and has requested the City to provide financing therefor; and

WHEREAS, the City is empowered by the provisions of part 1 of article 14 of title 29, Colorado Revised Statutes 1973, as

amended, to issue bond anticipation notes in anticipation of the issuance by the City at a later date of tax increment bonds and to make such bond anticipation notes payable from the proceeds of the sale of such tax increment bonds or additional bond anticipation notes or other moneys of the City legally available for such purpose, including the Tax Increments deposited in the Tax Increment Fund; and

WHEREAS, the City Council hereby determines that it is reasonable, necessary and prudent at this time to issue Tax Increment Bond Anticipation Notes, dated December 1, 1983, in the aggregate principal amount of \$1,250,000 (the Notes), for the aforesaid purposes; and

WHEREAS, a proposal for the purchase of the Notes upon terms favorable to the City has been received from Boettcher & Company, Denver, Colorado (the Purchaser), which the City hereby determines to accept.

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

1. Award of Contract. The contract for the purchase of the Notes is hereby awarded to the Purchaser at the price specified in the Purchaser's proposal and upon the terms set forth herein.

2. Authorization and Description of Notes. For the purpose of paying the costs of the Project the City shall issue the Notes. The costs of the Project are hereby determined to be as submitted by the Authority to the City. Such costs include all costs and estimated cost of issuance of the Notes; all engineering, inspection, fiscal, and legal expense; and discount on the sale of the Notes; the cost of any financial, professional, or other expert advice; contingencies; any administrative, operating, or other expenses of the City incurred pursuant to the issuance of the Notes (including reimbursement of such expenses of the Authority in preparation for the issuance of the Notes and the undertaking of the Project as have been certified to the City); all such other expenses as may be necessary or incident to the financing, acquisition, improvement, equipment, and completion of the Project or for furthering the purposes of the Act; sufficient provision of reserves for working capital, operation, maintenance or replacement expense or for payment or security of principal or interest on the Notes during or after the acquisition or improvement and equipment of the Project; and reimbursements to any governmental agency or instrumentality for any moneys expended pursuant to agreement on the Project or for furthering the purposes of the Act. The Notes shall be issuable in fully registered form in denominations of \$5,000 or any integral multiple thereof.

Pursuant to the recommendations of the Committee on Uniform Security Identification Procedures, CUSIP numbers may be printed on the Notes.

The Notes shall mature on December 1, 1986. The City Council hereby estimates and determines that the time needed to effect the purpose for which the Notes are issued is not less than three years. The Notes shall bear interest from their date to their maturity date, except if redeemed prior thereto, at the rate of seven and three quarter percent (7.75%) per annum. Said interest shall be payable June 1, 1984, and semiannually thereafter on the 1st day of December and the 1st day of June of each year. If upon presentation at the maturity the principal of any Note is not paid as provided herein, interest shall continue thereon at the same interest rate until the principal is paid in full.

3. Maximum Net Effective Interest Rate. The maximum net effective interest rate for the Notes is 18% per annum. The actual net effective interest rate for the Notes is 8.500% per annum.

4. Nature of Obligation; Recitals in Notes. The Notes shall be special and limited obligations of the City and shall be payable and collectible as to principal and interest solely out of the net proceeds of certain tax increment bonds to be issued by the City at a later date (the Anticipated Bonds) or any bond anticipation notes issued in substitution for the Notes (the Replacement Notes), when and if issued, sold and delivered, the Tax Increments, the moneys deposited in the Reserve Fund hereinafter described, and any unexpended proceeds of the Notes, together with investment income from any of the foregoing, deposited in the special funds herein described. The registered owners of the Notes may not look to the general fund or any other fund of the City or the Authority, except the special funds herein described, for payment of the principal of or interest on the Notes. The Notes shall not constitute an indebtedness of the City within the meaning of any constitutional, charter, or statutory limitations. Each Note shall recite in substance that said Note, including interest thereon, is payable solely from the special funds pledged to the payment thereof and that said Note does not constitute a debt of the City within the meaning of any constitutional charter, or statutory limitations.

5. Payment of Principal, Interest and Premium. The principal of, interest on, and any premium due in connection with the redemption of the Notes shall be payable in lawful money of the United States of America to the registered owners of the Notes by Central Bank of Denver, Denver, Colorado, or its successor, as paying agent (the Paying Agent). The principal shall be paid to the registered owner of each Note upon presentation and surrender thereof at maturity or upon prior redemption. Except as hereinafter provided, the interest shall be paid to the registered owner of each Note, determined as of the close of business on the regular record date, which shall be the fifteenth day of the calendar month next preceding the interest payment date, irrespective of any transfer of ownership of the Notes subsequent to the regular record date and prior to such interest payment date, by check or draft mailed to such registered owner at the address appearing on the

registration books of the City maintained by Central Bank of Denver, Denver, Colorado, or its successor, as registrar (the Registrar). Any interest not paid when due and any interest accruing after maturity shall be paid to the registered owner of each Note entitled to receive such interest, determined as of the close of business on the special record date, which shall be fixed by the Paying Agent for such purpose, irrespective of any transfer of ownership of the Note subsequent to such special record date and prior to the date fixed by the Paying Agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by first-class, postage prepaid mail, at least ten (10) days prior to the special record date, to the Purchaser and to the registered owner of each Note upon which interest will be paid, determined as of the close of business on the day preceding such mailing, at the address appearing on the registration books of the City maintained by the Registrar. Any premium shall be paid to the registered owner of each Note upon presentation and surrender thereof upon prior redemption.

6. Redemption of Notes. The Notes are subject to optional redemption prior to their maturity date by lot on any interest payment date beginning December 1, 1984, upon payment of the principal amount thereof plus accrued interest thereon to the redemption date plus a premium depending on the redemption date as follows:

<u>Redemption Date</u>	<u>Premium</u>
December 1, 1984 or June 1, 1985	1.0%
December 1, 1985 or June 1, 1986	0.5%

Notes issued in denominations which are integral multiples of \$5,000 may be redeemed in part. Such Notes shall be treated as representing a corresponding number of separate Notes in the denomination of \$5,000 each. Any such Note to be redeemed in part shall be surrendered for partial redemption in the manner hereinafter provided for transfer of ownership. Upon payment of the redemption price of any such Note redeemed in part the registered owner thereof shall receive a new Note or Notes of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Note surrendered.

Notice of redemption shall be given by the Paying Agent in the name of the City by sending a copy thereof by certified or

registered first-class postage prepaid mail, at least thirty (30) days prior to the redemption date, to the Purchaser and to the registered owner of each of the Notes being redeemed, determined as of the close of business on the day preceding the first mailing of such notice, at the address appearing on the registration books of the City maintained by the Registrar. Such notice shall specify the number or numbers of the Notes to be redeemed, whether in whole or in part, and the date fixed for redemption and shall further state that on the redemption date there will be due and payable upon each Note or part thereof so to be redeemed the principal amount or part thereof plus accrued interest thereon to the redemption date plus the premium due, and that from and after such date interest will cease to accrue. Failure to mail any notice as aforesaid or any defect in any notice so mailed with respect to any Note shall not affect the validity of the redemption proceedings with respect to any other Note. Any Notes redeemed prior to their maturity date by call for prior redemption or otherwise shall not be reissued and shall be cancelled the same as Notes paid at or after maturity.

7. Execution and Authentication of Bonds. The Notes shall be signed by and on behalf of the City with the facsimile signature of the President of the City Council, shall bear a facsimile of the seal of the City, shall be signed and attested with the facsimile signature of the City Clerk of the City, shall be countersigned with the facsimile signature of the Finance Director of the City, and shall be authenticated by the manual signature of a duly authorized officer of the Registrar. Should any officer whose facsimile signature appears on the Notes cease to be such officer before issuance or authentication of any Note, such facsimile signature shall nevertheless be valid and sufficient for all purposes. No Note shall be valid or become obligatory for any purpose or be entitled to any security or benefit under this ordinance (the Ordinance) unless and until the certificate or authentication on such Note shall have been duly executed by the Registrar, and such executed certificate upon any such Note shall be conclusive evidence that such Note has been authenticated and delivered under this Ordinance. The certificate of authentication on any Note shall be deemed to have been duly execute by the Registrar if signed by an authorized officer or signatory thereof, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Notes.

8. Registration, Transfer and Exchange of Notes. Upon their execution and authentication and prior to their delivery the Notes shall be registered for the purpose of payment of principal and interest with the Registrar. Thereafter, the Notes shall be transferable only upon the registration books of the City maintained by the Registrar by Central Bank of Denver, Denver, Colorado, or its successor, as transfer agent (the Transfer Agent) at the request of the registered owner thereof or his or its duly authorized attorney-in-fact or legal representative. The Registrar or Transfer Agent shall accept a Note for registration or transfer only if the registered owner is to be an individual, a

corporation, a partnership, or a trust. A Note may be transferred upon surrender thereof together with a written instrument of transfer duly executed by the registered owner or his or its duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlor and the beneficiary of the trust. Transfers shall be made at the expense of the transferor, and the Transfer Agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer of Notes. No registration or transfer of any Note shall be effective until entered on the registration books of the City maintained by the Registrar and Transfer Agent. The Registrar and Transfer Agent shall authenticate and deliver to the new registered owner a new Note or Notes of the same aggregate principal amount and bearing interest at the same per annum interest rate as the Note or Notes surrendered. Such Note or Notes shall be dated as of the date of authentication. The Transfer Agent shall not be required to transfer ownership of any Note during the fifteen (15) days prior to the first mailing of any notice of redemption or to transfer ownership of any Note selected for redemption on or after the date of such mailing. The registered owner of any Note or Notes may also exchange such Note or Notes for another Note or Notes of authorized denominations. New Notes delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same obligation as the Notes surrendered, and shall be secured by the covenants contained in this Ordinance and be entitled to all of the security and benefits hereof to the same extent as the Notes surrendered. The City may deem and treat the person in whose name any Note is last registered upon the books of the City maintained by the Registrar as the absolute owner thereof for the purpose of receiving payment of the principal of and interest on such Note and for all other purposes, and all such payments so made to such person or upon his order shall be valid and effective to satisfy and discharge the liability of the City upon such Note to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

9. Form of Notes. The Notes shall be in substantially the following form:

(Form of Note)

(Text of Face)

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF MESA

CITY OF GRAND JUNCTION

TAX INCREMENT BOND ANTICIPATION NOTE

No. R- _____

\$ _____

<u>INTEREST</u> <u>RATE</u> <u>MATURITY</u> <u>DATE</u> <u>ORIGINAL</u> <u>ISSUE DATE</u> <u>CUSIP</u> <u>NUMBER</u>			
December 1, 1986 December 1, 1983			

REGISTERED OWNER:

PRINCIPAL SUM:

The City of Grand Junction, Colorado, for value received, hereby promises to pay to the Registered Owner (specified above), or registered assigns, solely from the special funds provided therefor, the Principal Sum (specified above), in lawful money of the United States of America, on the Maturity Date (specified above), with interest thereon from December 1, 1983, or the interest payment date to which interest has been paid next preceding the date hereof, whichever is later, to the Maturity Date, except if redeemed prior thereto, at the per annum Interest Rate (specified above), payable semiannually on the 1st day of June and the 1st day of December of each year, commencing on the first such date after the date hereof, in the manner provided herein. If upon presentation at maturity the principal of this Note is not paid as provided herein, interest shall continue thereon at the same interest rate until the principal hereof is paid in full.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF.

This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance authorizing the issuance of this Note until the certificate of authentication hereon shall have been signed by the registrar.

IN TESTIMONY WHEREOF, the City of Grand Junction, Colorado, has caused this Note to be signed in its name and on its behalf with the facsimile signature of the President of its City Council, to be sealed with a facsimile of its seal, to be signed and attested with the facsimile signature of its City Clerk, and to be countersigned with the facsimile signature of its Finance Director.

(FACSIMILE)
(SEAL)

CITY OF GRAND JUNCTION, COLORADO

(Facsimile Signature)

President of the City Council

ATTEST:

(Facsimile Signature)

City Clerk

DATE:

COUNTERSIGNED:

Finance Director

CERTIFICATE OF AUTHENTICATION

This Bond is one of the series issued pursuant to the Ordinance therein described. Printed on the reverse hereof is the complete test of the opinion of bond counsel, Ballard, Spahr, Andrews & Ingersoll, Denver, Colorado, a signed copy of which, dated the date of original issuance of the Notes therein described, is on file with the undersigned.

CENTRAL BANK OF DENVER
as registrar

(Manual Signature)

Authorized Officer

(Text of Reverse)

Notes of this issue are subject to optional redemption prior to their maturity date by lot on any interest payment date beginning December 1, 1984, upon payment of the principal amount thereof plus accrued interest thereon to the redemption date plus a premium depending on the redemption date as follows:

Redemption Date	Premium
December 1, 1984 or June 1, 1985	1.0%
December 1, 1985 or June 1, 1986	0.5%

This Note may be redeemed in part if issued in a denomination which is an integral multiple of \$5,000. In such case this Note shall be surrendered in the manner provided for transfer of ownership. Upon payment of the redemption price the Registered Owner shall receive a new Note or Notes of authorized denominations in aggregate principal amount equal to the unredeemed portion of this Note.

The principal of, interest on, and any premium due in connection with the redemption of this Note are payable to the Registered Owner out of the special funds hereinafter specified, but not otherwise, by Central Bank of Denver, Denver, Colorado, or its successor, as paying agent. The principal shall be paid to the Registered Owner upon presentation and surrender of this Note at maturity or upon prior redemption. Except as hereinafter provided, the interest shall be paid to the Registered Owner, determined as of the close of business on the regular record date, which shall be the fifteenth day of the calendar month next preceding the interest payment date, irrespective of any transfer of ownership hereof subsequent to the regular record date and prior to such interest payment date, by check or draft mailed to the Registered Owner at the address appearing on the registration books of the City maintained by Central Bank of Denver, Denver, Colorado, or its successor, as registrar. Any interest hereon not paid when due and any interest hereon accruing after maturity shall be paid to the Registered Owner, determined as of the close of business on the special record date, which shall be fixed by the paying agent for such purpose, irrespective of any transfer of ownership of this Note subsequent to such special record date and prior to the date fixed by the paying agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by first-class, postage prepaid mail, at least ten (10) days prior to the special record date, to Boettcher & Company, Denver, Colorado, and to the registered owner of each Note upon which interest will be paid, determined as of the close of business on the day preceding such mailing, at the address appearing on the registration books of the City maintained by the registrar. Any premium shall be paid to the Registered Owner upon presentation and surrender of this Note upon

prior redemption.

Notice of redemption of any Notes of this issue shall be given by the paying agent in the name of the City by sending a copy of such notice by certified or registered first-class postage prepaid mail, at least thirty (30) days prior to the redemption date, to Boettcher & Company, Denver, Colorado, and to the registered owner of each of the Notes being redeemed, determined as of the close of business on the day preceding the first mailing of such notice at the address appearing on the registration books of the City maintained by the registrar. Such notice shall specify the number or numbers of the Notes to be redeemed, whether in whole or in part, and the date fixed for redemption and shall further state that on the redemption date there will be due and payable upon each Note or part thereof so to be redeemed the principal amount or part thereof plus accrued interest thereon to the redemption date plus the premium due, and that from and after such date interest will cease to accrue. Failure to mail any notice as aforesaid or any defect in any notice so mailed with respect to any Note shall not affect the validity of the redemption proceedings with respect to any other Note.

This Note is one of a series issued by the City in the aggregate principal amount of \$1,250,000 for the purpose of paying the costs of a downtown development project within the City consisting of property acquisition for off-street parking, off-street surface parking development, alleyway improvements, and a model street improvement project, in anticipation of the receipt of the net proceeds of certain tax increment bonds to be issued by the City at a later date or any bond anticipation notes issued in substitution for the Notes of this issue, when and if issued, sold and delivered, and certain incremental ad valorem and municipal sales tax revenues, deposited in the special funds herein described, pursuant to, by virtue of, and in full conformity with the Constitution of the State of Colorado, the home rule Charter of the City, part 1 of article 14 of title 29, Colorado Revised Statutes 1973, as amended, and all other laws of the State of Colorado thereunto enabling, and pursuant to an Ordinance of the City Council duly adopted and published prior to the issuance of this Note; and it is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the City in issuing this Note.

This Note is a special and limited obligation of the City payable solely out of and secured by an irrevocable pledge of the net proceeds of the aforesaid tax increment bonds or bond anticipation notes, when and if issued, sold, and delivered, the aforesaid incremental tax revenues, certain grant moneys held in reserve by the City, and any unexpended proceeds of the Notes of this issue, together with investment income from any of the foregoing, deposited in the special funds herein described.

Payment of the principal of and interest on this Note shall be made solely from, and as security for such payment there is

irrevocably and exclusively pledged, pursuant to the Ordinance authorizing the issuance hereof, two special funds thereby created and identified as the "City of Grand Junction, Colorado, Tax Increment Bond Anticipation Note Fund" and the "City of Grand Junction, Colorado, Tax Increment Bond Anticipation Notes Reserve Fund," into which funds the City has covenanted in said Ordinance to pay the principal of and interest on this Note from the aforesaid sources.

This Note does not constitute a debt of the City within the meaning of any constitutional, charter, or statutory limitations.

It is hereby recited, certified and warranted that for the payment of this Note and of the interest hereon the City has created and will maintain said special funds and will deposit therein the aforesaid net proceeds and revenues as provided in said Ordinance, and out of said special funds, as an irrevocable change thereon, will pay this Note and the interest hereon.

This Note is equitably and ratably secured by a lien on the aforesaid net proceeds and revenues, deposited in the aforesaid special funds, and this Note constitutes an irrevocable, exclusive first lien thereon, and said moneys are pledged and set aside to the payment of this Note, all in anticipation of the issuance, sale and delivery of the aforesaid tax increment bonds or bond anticipation notes.

The City covenants and agrees with the Registered Owner of this Note that it will keep and will perform all of the covenants contained in this Note and the Ordinance authorizing the issuance hereof.

In said Ordinance the City has covenanted that it shall in good faith make every reasonable effort to issue and sell a sufficient amount of the aforesaid tax increment bonds or bond anticipation notes, at one time or from time to time, so that on or before the maturity date of this Note there will be sufficient net proceeds from such bond or note sales, together with other funds accumulated in the Note Fund, to pay in full this Note and the interest hereon. In said Ordinance the City has further covenanted that it shall not issue or sell on or before the maturity date of this Note any tax increment bonds other than those anticipated hereby or issue or sell any tax increment bond anticipation notes other than those issued in substitution herefor.

Reference is hereby made to the Ordinance of the City Council authorizing the issuance of this Note for a description of the provisions, terms and conditions upon which this Note is issued and secured, including, without limitation, the nature and extent of the security for this Note, provisions with respect to the custody and application of the proceeds of this Note, the collection and disposition of the net proceeds and revenues charged with and pledged to the payment of the principal of and interest on this Note, a description of the aforesaid special

funds and the nature and extent of the security and pledge afforded thereby for the payment of this Note and the interest hereon and the number of enforcement of said pledge, and the rights, duties, immunities and obligations of the City and the members of the City Council and also the rights and remedies of the Registered Owners of the Notes of this issue.

For the payment of this Note and the interest hereon, the City pledges the exercise of all its lawful corporate powers.

This Note is transferable only upon the registration books of the City maintained by the registrar by Central Bank of Denver, Denver, Colorado, or its successor, as transfer agent, at the request of the Registered Owner or his or its duly authorized attorney-in-fact or legal representative, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or his or its duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the transfer agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlor and the beneficiary of the trust. Transfers shall be made at the expense of the transferrer, and the transfer agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer of Notes. No registration or transfer of this Note shall be effective until entered on the registration books of the City maintained by the registrar and transfer agent. The registrar and transfer agent shall authenticate and deliver to the new registered owner a new Note or Notes of the same aggregate principal amount and bearing interest at the same per annum interest rate as the Note or Notes surrendered. Such Note shall be dated as of the date of authentication. The transfer agent shall not be required to transfer ownership of this Note during the fifteen (15) days prior to the first mailing of any notice of redemption or to transfer ownership of any Note selected for redemption on or after the date of such mailing. The Registered Owner may also exchange this Note for another Note or Notes of authorized denominations. The City may deem and treat the person in whose name this Note is last registered upon the books of the City maintained by the registrar as the absolute owner hereof for the purpose of receiving payment of the principal of and interest on this Note and for all other purposes and all such payments so made to such person or upon his order shall be valid and effective to satisfy and discharge the liability of the City upon this Note to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

(Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OR ASSIGNEE

(Name and Address of Assignee)

the attached Note and does hereby irrevocably constitute and appoint Central Bank of Denver, Denver, Colorado, or its successor, as registrar and transfer agent, to transfer said Note on the books kept for registration thereof.

Dated: _____

Signature guaranteed:

(Bank, Trust Company or Firm)

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the attached Note in every particular without alteration or enlargement or any change whatever.

(End of Form of Note)

10. Delivery of Notes. The Notes, when executed, registered, and authenticated as provided herein and by law, shall be delivered to the Purchaser upon receipt by the City of the purchase price thereof in accordance with the contract of purchase for the Notes between the City and the Purchaser.

11. Application of Proceeds. The proceeds derived from the sale of the Notes shall be applied solely for the purposes stated herein. Notwithstanding anything herein to the contrary, any portion of said proceeds may be temporarily invested pending such use in securities or obligations which are lawful investments for the City, with such temporary investments to be made consistent with the covenant regarding arbitrage bonds hereinafter made. Until the proceeds of the Notes are applied for the purposes set forth herein, said proceeds and any investment income therefrom, together with all securities in which the foregoing may be invested from time to time, shall be subject to a lien thereon and

pledge thereof for the benefit of the registered owners of the Notes. Neither the Purchaser nor any person or entity who or which may become the registered owner of any Note shall be in any way responsible for the application of the proceeds of the Notes by the City or any of its officers.

12. Pledge and Lien. The net proceeds of the Anticipated Bonds or the Replacement Notes, when and if issued, sold and delivered, the Tax Increments, the moneys deposited in the Reserve Fund hereinafter described, and any unexpended proceeds of the Notes, together with investment income from any of the foregoing, deposited in the special funds herein described, together with all securities in which the foregoing may be invested from time to time, are irrevocably pledged to secure the payment of the principal of and interest on the Notes. This pledge shall be valid and binding from and after the date of the first delivery of the Notes, and the moneys so pledged shall immediately be subject to the lien of said pledge without any physical delivery thereof, any filing, or further act.

13. Note Fund. A special fund is hereby created and designated as the "City of Grand Junction, Colorado, Tax Increment Bond Anticipation Note Fund" (the Note Fund). The Note Fund shall contain two separate accounts described as the "Principal and Interest Account" and the "Project Account."

The City shall deposit in the "Principal and Interest Account" of the Note Fund, on the date of issue of the Notes, interest accrued thereon from the date of the Notes to the date of delivery of the Notes to the Purchaser and shall use the same to pay interest first due on the Notes. The City shall deposit the net proceeds received from time to time of the Anticipated Bonds or the Replacement Notes, when and if issued, sold and delivered, in the "Principal and Interest Account" and shall apply the same to the payment of the principal of the Notes. Whenever the moneys on deposit in the "Principal and Interest Account" are insufficient to pay any principal or interest then due on the Notes, the City shall transfer a sum sufficient to make the required payment from the Tax Increment Fund (to the extent of funds on deposit therein) to the "Principal and Interest Account" of the Note Fund.

The City shall deposit in the "Project Account" of the Note Fund, on the date of issue of the Notes, the remaining proceeds of the Notes, after payment of all costs of issuing the Notes. The City or the Authority, with the consent of the City and as agent on behalf of the City, shall expend moneys on deposit in the "Project Account" of the Note Fund only for the purposes specified in this Ordinance.

14. Reserve Fund. A special fund is hereby created and designated as the "City of Grand Junction, Colorado, Tax Increment Bond Anticipation Notes Reserve Fund" (the Reserve Fund).

The City shall deposit in the Reserve Fund, on the date of issue

of the Notes, the sum of \$187,500 from the proceeds of an Energy Impact Assistance Grant made by the Department of Local Affairs of the State of Colorado for such purpose to the Authority. Said sum shall be maintained as a continuing reserve to meet any deficiencies in the "Principal and Interest Account" of the Note Fund for the payment of the principal of and interest on the Notes. Whenever the moneys on deposit in the "Principal and Interest Account" of the Note Fund or the Tax Increment Fund are insufficient to pay any principal or interest then due on the Notes, the City shall transfer a sum sufficient to make the required payment from the Reserve Fund to the "Principal and Interest Account" of the Note Fund.

Any income derived from the investment of moneys held in the Reserve Fund shall be credited to the Reserve Fund, except to the extent the balance therein exceeds the sum of \$187,500, in which case said income shall be transferred to the general fund of the Authority.

15. Covenant Regarding Anticipated Bonds and Replacement Notes; Restrictions on Future Financing. The City shall in good faith make every reasonable effort to sell a sufficient amount of Anticipated Bonds or Replacement Notes, at one time or from time to time, so that on or before the maturity date of the Notes, there will be sufficient net proceeds from such bond or note sales to pay in full the Notes and the interest thereon. The City shall not issue or sell on or before the maturity date of the Notes any tax increment bonds other than the Anticipated Bonds, or issue or sell any tax increment bond anticipation notes other than the Replacement Notes, unless all principal and interest on the Notes have theretofore been or are concurrently therewith paid in full.

16. Covenant Regarding Tax Increment Fund. The City shall not make any further modification of the Plan which would reduce the Tax Increments deposited in the Tax Increment Fund or otherwise impair the revenue security for the Notes.

17. Covenant Regarding Arbitrage Bonds. The City shall make no investment or other use of the proceeds of the Notes at any time during the term thereof which, if such investment or other use had been reasonably expected on the date the Notes are issued, would have caused the Notes to be arbitrage bonds within the meaning of the Internal Revenue Code of 1954, as amended (the Code), and the regulations promulgated or proposed thereunder. Neither shall the City permit the Authority, as its agent, to make any such investment or other use of the proceeds of the Notes.

18. Defeasance. When all of the principal of and the interest on the Notes have been duly paid, all obligations under this Ordinance shall thereby be discharged, and the Notes shall no longer be deemed to be outstanding. There shall be deemed to be such due payment when the City has placed in escrow or in trust with a trust bank located within or without the State of Colorado bills, certificates of indebtedness, notes, bonds or similar

securities which are direct obligations of, or the principal and interest of which are unconditionally guaranteed by, the United States of America (Federal Securities), in an amount sufficient (including the known minimum yield available for such purpose from the Federal Securities in which such amount may wholly or in part be invested) to meet all principal and interest requirements of the Notes as the same become due. The Federal Securities shall become due prior to the respective times at which the proceeds thereof shall be needed in accordance with a schedule established and agreed upon between the City and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the owner thereof to assure availability as needed to meet such schedule. The proceeds of the Federal Securities and other moneys so held in escrow shall be deposited from time to time in the "Principal and Interest Account" of the Note Fund for the payment of the principal of and interest on the Notes when due.

19. Rights and Immunities. Except as herein otherwise expressly provided, nothing herein expressed or implied is intended or shall be construed to confer upon or to give to any person, other than the City and the registered owners from time to time of the Notes, any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the City shall be for the sole and exclusive benefit of the City and the registered owners of the Notes.

No recourse shall be had for the payment of the principal of and the interest on the Notes or for any claim based thereon or otherwise upon this Ordinance or any other instrument pertaining thereto against any individual member of the City Council, or any officer or other agent of the City, past, present or future, either directly or indirectly through the City, or otherwise, whether by virtue of any constitution, charter, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Notes and as a part of the consideration of their issuance specially waived and released.

20. Ratification. All actions not inconsistent with the provisions of this Ordinance heretofore taken by the City or its officers and otherwise by the City directed toward the issuance, sale and delivery of the Notes is hereby ratified, approved and confirmed.

21. Facsimile Signatures. Pursuant to the Uniform Facsimile Signature of Public Officials Act, part 1 of article 55 of title 11, Colorado Revised Statutes, as amended, the President of the City Council, the City Clerk, and the Finance Director of the City shall forthwith, but in any event prior to the time the Notes are delivered to the Purchaser, file with the Colorado Secretary of State their manual signatures, certified by them under oath.

22. Authorized Action. The officers of the City are hereby

authorized and directed to enter into such agreements and take all action necessary or 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 execution of a contract for the purchase of the Notes between the City and the Purchaser;

b. The printing of the Notes, including the printing upon each of the Notes of a copy of the approving legal opinion of Ballard, Spahr, Andrews Ingersoll, bond counsel, duly certified by the Registrar, and, if necessary or desirable pending delivery of printed Notes, the preparation of one or more temporary typewritten Notes in an aggregate principal amount equal to that of the Notes, otherwise in substantially the same form and bearing the same terms, to be delivered to the Purchaser and thereafter to be exchanged by the Purchaser for printed Notes when the same are received by the City;

c. The preparation of an offering memorandum, official statement, or offering circular for the use of the Purchaser and subsequent purchasers of the Notes;

d. The execution of such certificates as may reasonably be required by the Purchaser relating to the signing of the Notes; the tenure and identity of the City officials; if in accordance with the facts, the absence of litigation, pending or threatened, affecting the validity of the Notes, the Anticipated Bonds, the Replacement Notes, the Plan, the Tax Increments or the Tax Increment Fund; receipt of the Notes and the purchase price therefor; and the accuracy and completeness of any offering materials prepared;

e. The making of various statements, recitals, certifications and warranties provided in the form of Note set forth in this Ordinance; and

f. The payment of the interest on the Notes as the same shall become due and the principal of and any premium due in connection with the redemption of the Notes at maturity or upon prior redemption without further warrant or order.

23. General Repealer. All acts, orders, resolution, ordinances, or parts thereof taken by the City and in conflict with this Ordinance are hereby repealed, except that this repealer shall not be construed so as to revive any act, order, resolution, ordinance, or part thereof heretofore repealed.

24. Ordinance Irrepealable. This Ordinance is, and shall constitute, a legislative measure of the City, and after the Notes are issued, sold and outstanding, this Ordinance shall constitute a contract between the City and the registered owners of the Notes and shall be and remain irrepealable until the Notes and the interest thereon shall have been fully paid, satisfied and

