

ORDINANCE NO. 2179E

AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF GRAND JUNCTION, COLORADO, GENERAL OBLIGATION WATER REFUNDING BONDS, SERIES 1984, IN THE PRINCIPAL AMOUNT OF \$5,200,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION WATER BONDS OF THE CITY; PROVIDING FOR THE ESTABLISHMENT OF AN ESCROW ACCOUNT TO PAY THE OUTSTANDING BONDS AND INTEREST THEREON; PROVIDING FOR THE LEVY OF TAXES AND FOR THE APPLICATION OF WATER RATES, FEES, TOLLS, AND CHARGES TO PAY THE PRINCIPAL OF AND INTEREST ON THE REFUNDING BONDS; DECLARING AN EMERGENCY; AND PROVIDING FOR ITS IMMEDIATE PASSAGE AND EFFECT.

WHEREAS, the City of Grand Junction, Mesa County, Colorado, is a Charter City organized and existing pursuant to Article XX of the State Constitution ("City"); and

WHEREAS, the City has heretofore duly authorized, sold, issued, and delivered \$2,145,000 of its General Obligation Water Refunding Bonds, Series 1978B, dated May 1, 1978 (the "1978B Issue"), of which the entire amount remains outstanding, bearing interest payable May 15 and November 15 of each year, and maturing semiannually on May 15 and November 14, as follows:

Bond Numbers (All Inclusive) Interest Rate (Per Annum) Amounts Maturing Years Maturing			
1-166.05%\$ 80,0005/15/1991			
17- 296.05%65,00011/ 15/1991			
30- 516.05%110,0005/ 15/1992			
52- 706.05%95,00011/ 15/1992			

71- 906.05%100,0005/ 15/1993			
91- 1136.05%115,0001 1/15/1993			
114- 1356.05%110,0005 /15/1994			
136- 1596.05%120,0001 1/15/1994			
1606.05%5,0005/1 5/1995			
161- 1626.05%10,00011 /15/1995			
163- 1646.05%10,0005/ 15/1996			
165- 1666.05%10,00011 /15/1996			
167- 1686.20%10,0005/ 15/1997			
169- 1706.20%10,00011 /15/1997			
171- 1726.25%10,0005/ 15/1998			

173- 1746.25%10,00011 /15/1998			
175- 1766.25%10,0005/ 15/1999			
177- 1786.25%10,00011 /15/1999			
179- 1806.25%10,0005/ 15/2000			
181- 4296.50%1,245,00 05/15/2005			

and

WHEREAS, bonds of this series maturing on May 15, 2005, are redeemable prior to maturity in the amount of \$5,000, or any multiple thereof, at the option of the City, on May 15, 2000, and on any date thereafter, at par; bonds maturing May 15, 1995 to May 15, 2000 are not redeemable prior to maturity; bonds maturing May 15, 1991 to November 15, 1994 are redeemable prior to maturity in the amount of \$5,000, or any multiple thereof, at the option of the City, on November 14, 1990, and on any interest payment date thereafter, in inverse numerical order at par, accrued interest, and a premium of 1% of principal; and

WHEREAS, the City has heretofore duly authorized, sold, issued and delivered \$3,205,000 of its General Obligation Water Bonds, Series 1978C, dated May 1, 1978 (the "1978C Issue"), of which the entire amount remains outstanding, bearing interest payable May 15 and November 15 of each year, and maturing semi-annually on May 15 and November 15, as follows:

Bond Numbers (All Inclusive) Intere			
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<u>st Rate (Per</u> <u>Annum) Amounts</u> <u>Maturing Years</u> <u>Maturing</u>			
1- 256.05%\$125,0005 /15/1991			
26- 456.05%100,00011 /15/1991			
46- 786.05%165,0005/ 15/1992			
79- 1066.05%140,0001 1/15/1992			
107- 1376.05%155,0005 /15/1993			
138- 1726.05%175,0001 1/15/1993			
173- 2046.05%160,0005 /15/1994			
205- 2416.05%185,0001 1/15/1994			
242- 2436.05%10,0005/ 15/1995			
244- 2456.05%10,00011 /15/1995			

246- 2476.05%10,0005/ 15/1996			
248- 2506.05%15,00011 /15/1996			
251- 2526.20%10,0005/ 15/1997			
253- 2546.20%10,00011 /15/1997			
255- 2566.25%10,0005/ 15/1998			
257- 2596.25%15,00011 /15/1998			
260- 2626.25%15,0005/ 15/1999			
263- 2656.25%15,00011 /15/1999			
266- 2686.25%15,0005/ 15/2000			
269- 6416.50%1,865,00 05/15/2005			

and

WHEREAS, bonds of this series maturing on May 15, 2005, are

redeemable prior to maturity in the amount of \$5,000, or any multiple thereof, at the option of the City, on May 15, 2000, and on any date thereafter, at par; bonds maturing May 15, 1995 to May 15, 2000 are not redeemable prior to maturity; bonds maturing May 15, 1991 to November 15, 1994 are redeemable prior to maturity in the amount of \$5,000, or any multiple thereof, at the option of the City, on November 14, 1990, and on any interest payment date thereafter, in inverse numerical order at par, accrued interest, and a premium of 1% of principal; and

WHEREAS, the City has heretofore duly authorized, sold, issued and delivered \$1,400,000 of its General Obligation Water Bonds, Series 1982, dated June 15, 1982 (the "1982 Issue"), of which the amount of \$1,350,000 remains outstanding, being bonds numbered 11 to 280 inclusive, bearing interest payable May 15 and November 15 of each year, and maturing semi-annually on May 15, as follows:

Bond Numbers (All Inclusive) Interest Rate (Per Annum) Amounts Maturing Years Maturing			
11-218.50%\$ 55,0001984			
22- 349.00%65,000198 5			
35- 479.50%65,000198 6			
48- 619.70%70,000198 7			
62- 779.875%80,00019 88			
78-			

9510.00%90,00019 89			
96- 11510.20%100,000 1990			
116- 13910.50%120,000 1991			
140- 14110.80%10,0001 992			
14211.00%5,00019 93			
143- 14411.25%10,0001 994			
145- 26411.50%600,000 1995			
265- 28011.75%80,0001 996			

and

WHEREAS, bonds of this series maturing in the years 1993 and thereafter being callable for redemption prior to maturity in the amount of \$5,000 or more, or any multiple thereof, at the option of the City, on May 15, 1992, and on any interest payment date thereafter, in inverse numerical order at par, accrued interest, and a premium of 1.0% of principal if redeemed May 15, 1992 to and including May 15, 1994, and at par and accrued interest if redeemed November 15, 1994 or thereafter; and

WHEREAS, the City Council has determined, and hereby determines that it is in the best interests of the City and its inhabitants and taxpayers thereof that its 1978B, 1978C, and 1982 Issues in the aggregate principal amount of \$6,700,000 remaining outstanding, be refunded by the issuance of refunding bonds in the

amount of \$5,200,000; and

WHEREAS, such refunding will allow a reduction in the total amount of the outstanding bonds, will permit a restructuring of the bond covenants, and will provide funds for water engineering and limited protection against future interest rate increases, all to the best advantage of the City; and

WHEREAS, the proceeds derived from the sale of the refunding bonds and certain cash will be placed in a special fund and trust account, to be established and herein authorized, for the purpose only of paying and redeeming the above-described outstanding bonds as to principal, interest, and prior redemption premium, as the same mature and accrue or on the Prior Redemption Date, all as more particularly herein set forth; and

WHEREAS, the City Council has determined that \$5,200,000 General Obligation Water Refunding Bonds, Series 1984, be sold and awarded to Kirchner, Moore & Co. in accordance with its contract of purchase.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION:

Section 1. For the purpose of providing funds to refund and pay \$6,700,000 of outstanding 1978B, 1978C, and 1982 Issues described above, the City shall issue its registered General Obligation Water Refunding Bonds Series 1984, in the aggregate amount of \$5,200,000, dated April 15, 1984, in the denomination of \$5,000 each, or multiples thereof, numbered 1 upward, as determined by the Registrar, payable to the registered owner, or assigns, in lawful money of the United States of America, bearing interest payable November 15, 1984, and semiannually thereafter on the 15th day of May and the 15th day of November of each year, and maturing semiannually on May 15 and November 15, as follows:

<u>Amounts</u> <u>Maturing</u> <u>Interest Rate</u> <u>(Per Annum)</u> <u>Years</u> <u>Maturing</u>		
\$180,000 6.25% 5/15/1985		
120,000 6.25% 11/15/1985		
185,000 6.75% 5/15/1986		
130,000 6.75% 11/15/1986		

200,0007.10%5/15/1987		
135,0007.10%11/15/1987		
180,0007.40%5/15/1988		
125,0007.40%11/15/1988		
3,945,0009.50%11/15/1996		

The Serial Bonds are not subject to redemption prior to maturity thereof. The Term Bond is subject to mandatory redemption in part by lot, pursuant to the terms of the sinking fund provided for below, at the principal amount thereof plus accrued interest to the redemption date.

As and for a sinking fund for the redemption of the Term Bond maturing on November 15, 1996, the City shall deposit in the sinking fund established with the Paying Agent and Registrar on or before the dates set forth below, the following principal amounts of the Term Bond in the following years:

<u>Years</u>	<u>Principal Amount</u>
5/15/1989	\$195,000
11/15/1989	140,000
5/15/1990	210,000
11/15/1990	155,000
5/15/1991	230,000
11/15/1991	175,000
5/15/1992	245,000
11/15/1992	195,000
5/15/1993	290,000
11/15/1993	240,000

5/15/1994315,000	
11/15/1994265,000	
5/15/1995340,000	
11/15/1995290,000	
5/15/1996450,000	
11/15/1996210,000 (maturity)	

The Term Bond is also redeemable in whole, but not in part, at the option of the City on November 15, 1992, upon payment of par, accrued interest, and a premium of 1% of principal.

Notice of redemption of the Term Bond shall be given by mailing a copy of the notice thirty days prior to the redemption date to the Registered Owner of the Term Bond as recorded on the books maintained by the Registrar. The notice shall state the time and place of prepayment or redemption, the amount of the Term Bond being prepaid or redeemed, and that after the date fixed for prepayment or redemption, interest on the Term Bond shall cease.

The net effective interest rate on this series of Bonds taking into account the expenses of issuance and the discount for the sale of the Bonds is 9.898%.

The principal on the Bonds shall be paid at the corporate trust office of Central Bank of Denver, in Denver, Colorado, the Paying Agent and Registrar, or its successor.

Interest shall be payable to the holders of record on the Record Date by check drawn on the Paying Agent and mailed to the Registered Owner at the address as it appears on the bond registry books maintained by the Registrar. The Record Date is the 15th day of the month next preceding the interest payment date.

The Bonds may be transferred by the Registered Owners or their duly authorized attorneys at the corporate trust office of the Registrar, upon surrender of the bonds, accompanied by such executed instruments of transfer as the Registrar may require, and payment of any reasonable transfer fees. Upon any such transfer, a new registered bond of the same maturity and in the same aggregate principal amount will be issued to the transferees. Bonds of one denomination may also be exchanged by the Registered Owners for registered bonds of other authorized denominations, upon surrender of the original bonds accompanied by such executed transfer documents as the Registrar shall require and payment of any reasonable transfer fees.

Section 2. The bonds shall be signed by the facsimile signature of the President of the City Council, shall bear a facsimile of the seal of the City, attested with a facsimile signature of the City Clerk, and authenticated by the manual signature of the Registrar.

Should any officer whose facsimile signature appears on said bonds cease to be such officer before delivery of the Bonds to the purchaser thereof, such facsimile signature shall nevertheless be valid and sufficient for all purposes.

Section 3. The General Obligation Water Refunding Bonds, Series 1984, shall be in substantially the following form:

(Form of Registered Bond - Front)

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF MESA

CITY OF GRAND JUNCTION

GENERAL OBLIGATION WATER REFUNDING BOND

SERIES 1984

<u>Registered</u> <u>No. Rate Matur</u> <u>ity Date of</u> <u>Original</u> <u>Issue Cusip</u>				
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April 15, 1984

The City of Grand Junction, in the County of Mesa, State of Colorado, pursuant to Section 11-56-101, et seq., C.R.S., as amended, for value received, hereby promises to pay to _____ or registered assigns, on May 15, /November 15, 19_____, unless this Bond shall have been called for prior redemption, upon surrender hereof, the principal sum of

_____ DOLLARS

and to pay to the registered owner hereof, interest at the rate specified above, payable November 15, 1984 and semiannually thereafter on the 15th day of May and the 15th day of November of each year. Principal and interest shall be paid at the corporate trust office of the Central Bank of Denver, Denver, Colorado, Paying Agent and Registrar, or its successor, in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public or private

debts, provided interest may be paid to the holder of record on the Record Date by check drawn upon the Paying Agent and mailed to the registered owner at his or her address as it appears on the bond registry books maintained by the Paying Agent and Registrar. The Record Date is the 15th day of the month next preceding the interest payment date. (This Bond is not subject to redemption prior to maturity.)* (This Bond is subject to mandatory redemption in part, by lot, pursuant to the terms of the sinking fund established with the Paying Agent and Registrar at the principal amounts set forth below plus accrued interest to the redemption date. The City shall deposit in the sinking fund moneys sufficient to redeem the following principal amounts of this Bond in the following years:

<u>Years</u>	<u>Principal Amount</u>
5/15/1989	\$195,000
11/15/1989	140,000
5/15/1990	210,000
11/15/1990	155,000
5/15/1991	230,000
11/15/1991	175,000
5/15/1992	245,000
11/15/1992	195,000
5/15/1993	290,000
11/15/1993	240,000
5/15/1994	315,000
11/15/1994	265,000
5/15/1995	340,000
11/15/1995	290,000
5/15/1996	450,000
11/15/1996	210,000 (maturity)

This Bond is also subject to redemption in whole, but not in part, at the option of the City on November, 1992, upon payment of par, accrued interest, and a premium of 1% of principal.)**

* Serial Bonds

** Term Bond

Further provisions of this Bond are set forth on the reverse side hereof.

This Bond is not valid unless the Registrar's Certificate of Authentication endorsed hereon is duly executed.

IN WITNESS WHEREOF, the City of Grand Junction, in the County of Mesa, State of Colorado, has caused this Bond to be executed in its name by the facsimile signature of the President of the Council, a facsimile of the seal of the City to be affixed hereto, and attested by the facsimile signature of the City Clerk.

CITY OF GRAND JUNCTION

By: (Facsimile Signature)

President of the Council

(FACSIMILE SEAL)

ATTEST:

(Facsimile Signature)

City Clerk

Registrar's Certificate of Authentication

This Bond is one of the Bonds described above. Printed on the reverse side is the text of the opinion of Bond Counsel, Tallmadge, Tallmadge, Wallace & Hahn, P.C., Denver, Colorado, a signed copy of which is on file with the undersigned and dated as of the date of delivery of and payment for the Bonds.

Central Bank of Denver, as Registrar

By:

Authorized Officer

(Back of Bond)

This bond is one of a series issued by the City Council of the City of Grand Junction, Mesa County, Colorado, for the purpose of refunding valid and outstanding bonded indebtedness of the City by virtue of and in full conformity with the Constitution of the

State of Colorado, Section 11-56-101, et seq., Colorado Revised Statutes, as amended, the Charter of said City, and all other laws of the State of Colorado thereunto enabling; and it is hereby certified and recited that all requirements of law have been fully complied with by the proper officers of the City in issuing this Bond.

It is hereby further certified, recited, and warranted that the total indebtedness of said City, including that of this Bond, does not exceed constitutional, charter, or statutory limitation of the State of Colorado; and that provision has been made for the levy and collection of annual taxes and for the application of the net revenues of the water system of the City sufficient to pay the interest on and the principal of this Bond when the same become due.

This Bond may be transferred by the registered owner hereof, or his duly authorized attorney, at the corporate trust office of the Registrar in Denver, Colorado, upon surrender of this Bond accompanied by such executed instruments of transfer as the Registrar may require. Upon any such transfer, a new registered bond of the same maturity and in the same aggregate principal amount will be issued to the transferee. Bonds of one denomination may also be exchanged by the registered owner hereof for registered bonds of other authorized denominations, upon surrender of the original bonds accompanied by such executed transfer documents as the Registrar shall require.

The full faith and credit of the City are hereby pledged for the punctual payment of the principal of and the interest on this Bond.

ASSIGNMENT

For value received, the undersigned registered owner, sells, assigns, and transfers unto

Insert Social Security or other identifying number of Assignee

(Name and Address of Assignee)

the within Bond numbered _____, and does hereby irrevocably appoint the Central Bank of Denver or its successor, as Registrar to transfer this Bond on the books kept for registration with full power of substitution in the premises.

Dated: _____, 19_____

Registered Owner

Signature guaranteed:

Text of Opinion of Bond Counsel

TALLMADGE, TALLMADGE, WALLACE & HAHN, P.C.
Attorneys and Counselors
2400 Petro-Lewis Tower
717 Seventeenth Street
Denver, Colorado 80202

Re: City of Grand Junction, Colorado
General Obligation Water Refunding Bonds, Series 1984
Dated April 15, 1984 - \$5,200,000

We have examined a certified copy of the record or proceedings of the City Council of the City of Grand Junction, Mesa County, Colorado (the "City"), taken preliminary to the issuance by the City of the above-referenced Bonds. The Bonds are issued as fully registered Bonds without coupons, bearing interest payable on November 15, 1984 and semiannually thereafter on the 15th day of May and the 15th day of November of each year, and maturing semiannually on May 15 and November 15, as follows:

<u>Amounts</u> <u>Maturing</u>	<u>Interest Rate</u> <u>(Per Annum)</u>	<u>Years</u> <u>Maturing</u>
\$180,000	6.25%	5/15/1985
120,000	6.25%	11/15/1985
185,000	6.75%	5/15/1986
130,000	6.75%	11/15/1986
200,000	7.10%	5/15/1987
135,000	7.10%	11/15/1987

180,0007.40%5/15/1988		
125,0007.40%11/15/1988		
3,945,0009.50%11/15/1996		

The Serial Bonds of this issue are not subject to redemption prior to maturity. The Term Bond is subject to mandatory redemption in part, by lot, pursuant to the terms of the sinking fund established with Central Bank of Denver, Colorado, the Paying Agent and Registrar, at the principal amounts set forth below plus accrued interest to the redemption date. The City shall deposit in the sinking fund moneys sufficient to redeem the following principal amounts of the Term Bond in the following years:

<u>Years</u>	<u>Principal Amount</u>
5/15/1989	\$195,000
11/15/1989	140,000
5/15/1990	210,000
11/15/1990	155,000
5/15/1991	230,000
11/15/1991	175,000
5/15/1992	245,000
11/15/1992	195,000
5/15/1993	290,000
11/15/1993	240,000
5/15/1994	315,000
11/15/1994	265,000
5/15/1995	340,000
11/15/1995	290,000

5/15/1996450,000	
11/15/1996210,000 (maturity)	

The Term Bond is also subject to redemption in whole, but not in part, at the option of the City on November 15, 1992, upon payment of par, accrued interest, and a premium of 1% of principal.

Notice of redemption of the Term Bond shall be given by mailing a copy of the notice thirty days prior to the redemption date to the Registered Owner of the Term Bond as recorded on the books maintained by the Registrar. The notice shall state the time and place of prepayment or redemption, the amount of the Term Bond being prepaid or redeemed, and that after the date fixed for prepayment or redemption, interest on the Term Bond shall cease.

Principal and interest payable at the corporate trust office of Central Bank of Denver, Denver, Colorado, the Paying Agent and Registrar; provided, interest may be paid to the holders of record on the Record Date by check drawn on the Paying Agent and mailed to the Registered Owners at their addresses as they appear on the bond registry books maintained by the Paying Agent and Registrar. The Record Date is the fifteenth day of the month next preceding the interest payment date.

We have also examined Bond No. 1 of said issue and have found the same duly executed and in full conformity with law.

It is our opinion that such proceedings show lawful authority for said issue of bonds under the Constitution and laws of the State of Colorado and the Charter of said City now in force; that said bonds are valid and legally binding on said City; and that said bonds and the interest thereon are payable from the net revenues of the water system of the City and from the levy of a tax on all taxable property in the City without limitation of rate or amount.

Section 4. When the Water Refunding Bonds, Series 1984, have been duly executed as aforesaid, they shall be sold and delivered to the purchaser thereof, in accordance with the contract of purchase, and the proceeds thereof shall be used for the purposes stated in the Bonds and for no other purpose whatsoever, but neither the purchaser of said Bonds nor any subsequent holder of any of them shall be responsible for the application or disposal by the City, or any of its officers, of any of the funds derived from the sale thereof.

Section 5. For the purpose of meeting the interest accruing on the Bonds promptly as the same become due, and for the purpose of providing for the ultimate payment and redemption of said Bonds, there shall be levied on all the taxable property in said City, in addition to all other taxes, direct annual taxes in each of the

years 1984 to 1995, inclusive, sufficient, together with net water revenues, to produce the principal of and interest on the outstanding bonds as the same become due and payable. Said taxes when collected shall be deposited in a special fund to be known as "City of Grand Junction Water Refunding Bond Fund 1984", and such Fund shall be applied solely to the purpose of the payment of the interest on and the principal of said Bonds, respectively, and for no other purpose whatever, until the indebtedness so contracted under this Ordinance, both principal and interest, shall have been fully paid, satisfied, and discharged, but nothing herein contained shall be so construed as to prevent the City from applying any other funds or revenues that may be in the City Treasury and available for that purpose, to the payment of said interest or principal, as the same respectively mature, and upon such payments the levy or levies herein provided may thereupon be diminished to that extent.

An amount necessary to pay all costs and expenses incidental to the issuance of the Bonds and the amounts hereinbefore provided to meet the interest on the Bonds and to discharge the principal thereof when due, are hereby appropriated for that purpose, and said amounts for each year shall also be included in the annual budget and the appropriation bills to be adopted and passed by the City Council of the City in each year respectively.

Section 6. It shall be the duty of the City Council of said City, annually, at the time and in the manner provided by law for levying other City taxes, if such action shall be necessary to effectuate the provisions of this Ordinance, to ratify and carry out the provisions hereof with reference to the levying and collection of taxes; and said Council shall levy, certify, and collect such taxes in the manner provided by law for the purpose of creating a fund for the payment of the principal of said Bonds and interest thereon, and such taxes, when collected, shall be kept for and applied only to the payment of the interest and principal of said Bonds as hereinabove specified.

Section 7. In addition to the foregoing provisions with respect to ad valorem taxes, the City covenants and agrees that it will fix, maintain and adjust, from time to time, and enforce a schedule of rates, fees, tolls and charges for water services or facilities furnished or made available by the City, and that it will credit the revenues derived therefrom to the Water Refunding Bond Fund 1984 of the City. Said revenues, together with the aforesaid tax levies shall be sufficient to pay the costs of operating and maintaining the City Water System and to pay the interest on and the principal of the Bonds as the same respectively become due.

Section 8. \$5,026,836.90 of the proceeds of the Water Refunding Bonds, Series 1984, and cash in an amount not to exceed \$296,000 shall be deposited by the City in a special fund and separate trust account designated as the "City of Grand Junction 1978B, 1978C and 1982 Issues Refunding Escrow Account" (the "Refunding Escrow Account" or "Escrow Account"), said Account to be

established and maintained at Central Bank of Denver, Denver, Colorado, a banking corporation duly organized and existing under the laws of the State of Colorado, being a member of the Federal Deposit Insurance Corporation, having full and complete trust powers (the "Bank").

In addition to the above amounts, there shall be deposited by the City in a collateral security fund and special trust account designated as the "City of Grand Junction 1978B, 1978C, and 1982 Issues Collateral Account" (the "Collateral Account") cash in the amount of \$0 and earnings on the \$1,165,000 of Federal Securities that were acquired by the City pursuant to the Federal Securities Purchase Agreement ("F.S.P.A.") between the City and Zions First National Bank of Salt Lake City, dated May 11, 1978, established in connection with the City's General Obligation Water Refunding Bonds, Series 1978B and \$775,000 of securities owned by the City and held by the Bank. Such funds shall be added to the Escrow Account at the times, in the amounts, but only for the reasons as set forth in Exhibit A attached hereto and made a part of this Ordinance.

The accrued interest, if any, on the Water Refunding Bonds, Series 1984, from their date to the date of delivery thereof shall be deposited in the Bond and Interest Fund of the City.

Section 9. The Refunding Escrow Account and the Collateral Account including therein the proceeds of the Refunding Bonds, the cash, funds from the F.S.P.A., and other City owned Federal Securities, as referred to above, when invested by the Bank will at all times be at least sufficient to pay the interest on, principal, and prior redemption premium of the outstanding Issues being refunded as the same become due and payable under and in accordance with the following schedule:

1978B Issue

(a) Bonds numbered 1 to 180, inclusive, maturing semiannually on May 15, 1991 to May 15, 2000, and bonds numbered 181 to 423, inclusive, maturing on May 15, 2005 and the interest thereon, shall be paid and retired at their respective maturity dates at the United States Bank of Grand Junction, Grand Junction, Colorado, according to their original terms.

(b) Bonds numbered 424 to 429, inclusive, maturing on May 15, 2005, shall be called for redemption at the United States Bank of Grand Junction, in Grand Junction, Colorado, in inverse numerical order, prior to their maturity date, at par and accrued interest and shall be paid on May 15, 2000, which date is the "Prior Redemption Date" for these bonds. Interest on the 1978B Issue shall be paid as the same accrues until the bonds mature, or until the Prior Redemption Date, whichever is the proper date.

1978C Issue

Bonds numbered 1 to 268, inclusive, maturing semiannually on May 15, 1991 to May 15, 2000, and bonds numbered 269 to 641, inclusive, maturing on May 15, 2005, and the interest thereon, shall be paid and retired at their respective maturity dates at the United States Bank of Grand Junction, Grand Junction, Colorado, according to their original terms.

1982 Issue

(a) Bonds numbered 11 to 141, inclusive, maturing in the years 1984 to 1992, inclusive, and the interest thereon, shall be paid and retired at their respective maturity dates at the United States Bank of Grand Junction, Grand Junction, Colorado, according to their original terms.

(b) Bonds numbered 142 to 280, inclusive, maturing in the years 1993 to 1996, inclusive, shall be called for redemption at the United States Bank of Grand Junction, in Grand Junction, Colorado, in inverse numerical order, prior to their maturity date, at par, accrued interest, and a premium of 1% of principal, and shall be paid on May 15, 1992, which date is the "Prior Redemption Date" for these bonds. Interest on the 1982 Issue shall be paid as the same accrues until the bonds mature, or until the Prior Redemption Date, whichever is the proper date.

Section 10. The Bank shall invest the funds on deposit in the Refunding Escrow Account in direct obligations of, or the principal and interest of which obligations are unconditionally guaranteed by, the United States of America (herein "federal securities") and shall fully secure any cash balance in said Account in the manner required by law for other trust funds.

Section 11. If for any reason, at any time, the funds on hand in such Refunding Escrow Account shall be insufficient to meet the payments required as the same shall be about to become due and payable, the City Council of the City shall forthwith deposit in the Refunding Escrow Account such additional funds as may be required fully to meet the amount so about to become due and payable.

Section 12. The Bank shall from time to time redeem all or a portion of the federal securities in said Escrow Account and Collateral Account, in sufficient amounts so that the proceeds therefrom and the interest as the same accrue, will be sufficient to meet the interest requirements on the Issues being refunded as such interest accrues and to pay said Bonds at their respective maturities, or Prior Redemption Date, including the prior redemption premium, according to the schedule hereinabove set forth.

Section 13. The President of the Council, Clerk, and Finance Director of the City shall, and they are hereby authorized and directed to take all necessary or appropriate action toward the execution of a proper Escrow Agreement and Exhibits thereto with

the Bank concerning the deposits in, investments of, and disbursements from said Refunding Escrow Account and Collateral Account, and such other agreements as may be necessary or desirable to effectuate the provisions of this Ordinance and comply with the requirements of law.

Section 14. On or about the date when the Water Refunding Bonds, Series 1984, are delivered, or within a reasonable time thereafter, the City Clerk is authorized and directed to publish a notice of prior redemption and refunding one time in a newspaper published in the City.

The notice shall again be published in such newspaper not less than thirty days before the Prior Redemption Dates of the 1978B and the 1982 Issues by insertion therein at least once and by mailing a copy of the notice by registered first-class, postage prepaid, United States mail to Coughlin and Company, Inc., Denver, Colorado (the 1978B Issue) or to Boettcher & Company, Denver, Colorado (the 1982 Issue), and to the United States Bank of Grand Junction, Grand Junction, Colorado, not less than thirty days before the Prior Redemption Dates. Said notice shall describe the bonds to be called and paid by number, amount, and date of issue; the place of redemption; the date on which the same will be redeemed; and shall state that after such date interest on said bonds will cease.

Section 15. The City Council agrees that it will make no use of the proceeds of the Bonds authorized herein which might cause such obligations to be arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, and the regulations in effect thereunder.

Section 16. After the Bonds herein authorized are issued, this Ordinance shall be and shall remain irrevocable until the Bonds and the interest thereon shall be fully paid, canceled, and discharged as herein provided.

Section 17. Should any provision of this Ordinance be for any reason held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Ordinance.

Section 18. All resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 19. By reason of the unstable and fluctuating municipal bond market and the federal securities market, and in order to accomplish the proposed refunding at the most opportune time, it is hereby declared that an emergency exists and that this Ordinance is necessary for the immediate preservation of the public peace, health, and safety of the City and its inhabitants, and this Ordinance shall take effect as an emergency measure upon its passage and shall be published within three days.

Section 20. This Ordinance, immediately on its passage, shall be numbered and recorded in the Book of Ordinances kept for that purpose, authenticated by the signatures of the President of the Council and City Clerk, and shall be published as required by law.

PASSED and ADOPTED this 21st day of March, 1984.

President of the Council

Attest:

Neva B. Lockhart, CMC

City Clerk

I HEREBY CERTIFY that the foregoing emergency Ordinance was introduced, read, passed and adopted as an Emergency Ordinance, numbered 2179E, and ordered published by the unanimous vote of the members of the City Council of the City of Grand Junction, Colorado, at a regular meeting of said Council held on the 21st day of March, 1984.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 22nd day of March, 1984.

Neva B. Lockhart

Neva B. Lockhart, CMC
City Clerk

Published: March 23, 1984

Effective: March 21, 1984