

ORDINANCE NO. E2461

AN ORDINANCE AUTHORIZING THE CITY OF GRAND JUNCTION, COLORADO, TO CONTRACT AN INDEBTEDNESS ON ITS BEHALF AND UPON ITS CREDIT BY THE ISSUANCE OF ITS GENERAL OBLIGATION WATER BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,600,000 FOR THE PURPOSE OF DEFRAYING THE COST OF PURCHASING CERTAIN PROPERTY, INCLUDING WATER RIGHTS, TO SUPPLY WATER TO THE CITY; PROVIDING DETAILS CONCERNING THE BONDS, THEIR FORM AND THEIR SALE; PROVIDING FOR THE LEVY OF GENERAL AD VALOREM TAXES AND FOR THE IMPOSITION OF WATER RATES AND FEES TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; RATIFYING ACTION HERETOFORE TAKEN AND RELATING TO SUCH BONDS; PROVIDING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Grand Junction, Colorado (the "City") is a municipal corporation duly organized and existing under the laws of the State of Colorado and in particular under the provisions of Article XX of the Constitution of the State of Colorado and the Charter of the City; and

WHEREAS, the City Council (the "Council") of the City has determined that it is necessary and desirable that the City acquire water, water rights, ditches, ditch rights, wells, well permits, well rights, reservoirs, reservoir rights, water and ditch company stock, or portions or combinations thereof ("water rights"), for purpose of supplying water to the City; and

WHEREAS, the City has entered into a contract with Midwest Resources, Inc., a Delaware corporation ("Midwest"), for the sale by Midwest and purchase by the City of certain property known as The Somerville Ranch, including various appurtenances thereto, and particularly including water rights used in connection therewith or connected thereto (the "Project"); and

WHEREAS, the Council deems it necessary and proper that the City purchase the lands with which water rights are connected, all for purpose of supplying water to the City; and

WHEREAS, the Council has determined that the City shall issue the City of Grand Junction, Colorado General Obligation Water Bonds, Series 1990 in the aggregate principal amount of \$1,600,000 (the "Bonds") to finance the cost of purchasing the project and to sell the Bonds to The Colorado National Bank of Denver.

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

Section 1. Definitions. The following terms shall have the respective meanings set forth below, except where the context indicates otherwise:

(a) Bonds means the "City of Grand Junction, Colorado, General Obligation Water Bonds, Series 1990" in the aggregate principal amount of \$1,600,000 issued pursuant to this ordinance.

(b) Charter means the home rule charter of the City as from time to time amended.

(c) City means the City of Grand Junction, Colorado, a municipal corporation and political subdivision of the State of Colorado, or any successor municipal corporation.

(d) Code means the Internal Revenue Code of 1986, as in effect on the date of delivery of the Bonds.

(e) Council means the City Council of the City and any successor governing body of the City.

(f) County means Mesa County, Colorado.

(g) Federal Securities means bills, certificates of indebtedness, notes, bonds or other obligations which are direct obligations of, or the principal and interest of which obligations are unconditionally guaranteed by the United States of America (or an ownership interest in any of the foregoing).

(h) Fiscal Year means the 12 months commencing on the first day of January of any calendar year and ending on the last day of December of the same calendar year.

(i) Outstanding means, as of any date of calculation, all Bonds theretofore executed, issued and delivered by the City except:

(i) Bonds theretofore cancelled by the City, by any paying agent or otherwise on the City's behalf, at or before such date;

(ii) Bonds in lieu of, or in substitution for which, other Bonds shall have been executed, issued and delivered by the City and authenticated by the Paying Agent unless proof satisfactory to the Paying Agent is presented that any such Bonds are duly held by the lawful registered owners thereof; or

(iii) Bonds deemed to have been paid within the meaning of Section 16 hereof.

(j) Paying Agent means the Finance Director of the City, acting as registrar, transfer agent and paying agent for the Bonds.

(k) Project means the acquisition of certain property known as The Somerville Ranch, including various appurtenances thereto, particularly including water rights used in connection therewith or connected thereto, all for the purpose of supplying water to the City.

(l) Purchaser means The Colorado National Bank of Denver.

(m) Record Date means the close of business on the fifteenth day (whether or not a business day) of the calendar month next

preceding an interest payment date for the Bonds.

(n) Registered Owner means the registered owner of any Bond as shown on the registration records kept by the Paying Agent.

(o) Special Record Date means a special date fixed by the Paying Agent to determine the names and addresses of registered owners for purposes of paying interest on a special interest payment date for the payment of defaulted interest.

Section 2. Authority for this Ordinance. This ordinance is adopted by virtue of the City's powers as a home rule city organized and operating pursuant to Article XX of the Constitution of the State of Colorado and the Charter thereunder and pursuant to their provisions. Pursuant to Article XX of the Constitution of the State of Colorado and the Charter, all statutes of the State of Colorado which might otherwise apply in connection with the Project or the Bonds are hereby superseded.

Section 3. Authorization; Terms of Sale. For the purpose of providing funds to defray the costs of the Project, the Council, on behalf of the City and upon the credit thereof, shall issue its "City of Grand Junction, Colorado, General Obligation Water Bonds, Series 1990" in the aggregate principal amount of \$1,600,000. The Bonds shall be sold and delivered to the Purchaser on the terms contained herein.

Section 4. Bond Details. The Bonds shall be issued in fully registered form and shall be in denominations equal to the principal amount of the Bonds maturing on each maturity date set forth below; provided that if a Bond is redeemed in part, such Bond may be in the denomination equal to the unredeemed principal amount thereof. The Bonds shall be dated the date of their execution and delivery to the Purchaser. The Bonds shall be lettered "R" and shall be numbered separately from 1 upward.

The Bonds shall bear interest payable to the registered owners of the Bonds from their date to maturity at the rates per annum shown below on February 1 and August 1 in each year, commencing August 1, 1990, except that Bonds which are reissued upon transfer or other replacement shall bear interest from the most recent interest payment date to which interest has been paid or, if no interest has been paid, from the date of the Bonds. The Bonds shall mature serially on February 1 in each year and bear interest, all as follows:

Amounts Maturing	Interest Rate (Per Annum)	Year
\$120,000	6.75%	1991

125,000	6.75%	1992
130,000	6.75%	1993
140,000	6.75%	1994
150,000	6.75%	1995
165,000	6.75%	1996
175,000	7.00%	1997
185,000	7.00%	1998
200,000	7.10%	1999
210,000	7.10%	2000

The principal of any Bond shall be payable to the registered owner thereof as shown on the registration records kept by the Paying Agent upon maturity or prior redemption of such Bond upon presentation and surrender thereof at the office of the Paying Agent. If any Bond shall not be paid upon such presentation and surrender, it shall continue to bear interest at its stated interest rate until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the registered owner thereof by check mailed by the Paying Agent, on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), to the registered owner thereof at its address as it last appears on the registration records kept by the Paying Agent on the Record Date, but any such interest not so timely paid shall cease to be payable to the person who is the registered owner thereof at the close of business on the Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Bonds not less than ten days prior thereto by first-class mail to each such registered owner as shown on the Paying Agent's registration records on a date selected by the Paying Agent, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. All such payments shall be made in lawful money of the

United States of America, without deduction for services of the Paying Agent.

Section 5. Prior Redemption. The Bonds maturing on and after February 1, 1996, are subject to redemption in whole, or in part (in integral multiples of \$5,000) in inverse order of maturity, on and after February 1, 1995, at the redemption price equal to 100% of the principal amount of the Bonds or portions thereof redeemed plus accrued interest thereon to the redemption date. In the case of redemption of less than the entire principal amount of a Bond then outstanding, the City shall execute and the Paying Agent shall authenticate and deliver a replacement Bond for the unredeemed portion thereof, all without charge to the registered owner of such Bond.

The City shall give written instructions of any such prior redemption to the Paying Agent at least twenty days prior to such redemption date. Notice of redemption shall be given by the Paying Agent in the name of the City by sending a copy of such notice by first-class mail, postage prepaid, not less than fifteen days prior to the redemption date to the registered owner of any Bond all or a portion of which is called for prior redemption at its address as it last appears on the registration records kept by the Paying Agent.

Such notice shall identify the Bonds or portions thereof to be redeemed (if less than all are to be redeemed) and the date fixed for redemption, and shall further state that on such redemption date the principal amount thereof will become due and payable at the Paying Agent, and that from and after such date interest will cease to accrue. Accrued interest to the redemption date will be paid by check mailed to the registered owner. Notice having been given in the manner hereinabove provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated; and upon presentation thereof at the office of the Paying Agent, the City will pay the Bond or Bonds so called for redemption. No further interest shall accrue on the principal of any Bond (or portion thereof) called for redemption from and after the redemption date, provided sufficient funds are on deposit with the Paying Agent on the redemption date.

Section 6. Execution and Authentication. The Bonds shall be executed in the name of the City by the manual signature of the President of the Council, shall be sealed with the manual impression of the seal of the City, and shall be attested by the manual signature of the Clerk of the City. The Bonds bearing the signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the City notwithstanding that before the delivery of the Bonds or before the issuance of the Bonds upon transfer or other replacement, any or all of the persons whose signatures appear on the Bonds shall have ceased to fill their respective offices.

No bond shall be valid or obligatory for any purpose unless the

certificate of authentication, substantially in the form hereinafter provided, has been duly manually executed by the Paying Agent. By authenticating any of the Bonds initially delivered pursuant to this ordinance, the Paying Agent shall be deemed to have assented to the provisions of this ordinance.

Section 7. Registration and Transfer of Bonds. Records for the registration and transfer of the Bonds shall be kept by the Paying Agent. Upon the surrender for transfer of any Bond at the Paying Agent, with a written instrument of transfer satisfactory to the Paying Agent duly executed by the registered owner or his duly authorized attorney, the Paying Agent shall authenticate and deliver in the name of the transferee or transferees a new Bond of the same principal amount and of the same maturity bearing a number or numbers not previously assigned. Any tax or other governmental charge required to be paid with respect to such transfer shall be paid by the registered owner requesting such transfer.

The Paying Agent shall not be required (i) to transfer any Bond during the period beginning at the opening of business five days next preceding the mailing of notice calling any Bonds for prior redemption and ending at the close of business on the day of such mailing or (ii) to transfer any Bond after the mailing of notice calling such Bond for prior redemption.

The person in whose name any Bond shall be registered on the registration records kept by the Paying Agent shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes; and payment of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

If any Bond shall be lost, stolen, destroyed or mutilated, the Paying Agent shall, upon receipt of such evidence, information or indemnity relating thereto as it may reasonably require, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity bearing a number or numbers not previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured or is about to become due and payable, the Paying Agent may pay such Bond in lieu of replacement.

Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof or for transfer or replacement as provided herein, such Bond shall be promptly cancelled by the Paying Agent.

Section 8. Negotiability. Subject to the registration provisions hereof, the Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the registered owner or owners

thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code.

Section 9. Form of Bonds. The Bonds, the Paying Agent's certificate of authentication and the form of assignment shall be in substantially the following forms:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF MESA

CITY OF GRAND JUNCTION, COLORADO GENERAL OBLIGATION WATER BOND SERIES 1990

No. R- _____	INTEREST RATE	MATURITY DATE	DATED AS OF
		February 1, _____	January _____, 1990

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

On the faith, credit and behalf of the City of Grand Junction, Colorado (the "City"), the City Council of the City (the "Council") hereby acknowledges the City indebted and promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, on the Maturity Date specified above (unless called for earlier redemption) and to pay interest thereon on February 1 and August 1 in each year, commencing August 1, 1990, at the Interest Rate per annum specified above, until the Principal Amount is paid or payment has been provided therefor. This Bond will bear interest payable to the Registered Owner at the Interest Rate specified above from the most recent interest payment date to which interest has been paid or, if no interest has been paid, from the date of this bond. The principal of this bond is payable upon presentation and surrender hereof at the office of the Finance Director of the City, in Grand Junction, Colorado, which is serving as paying agent, transfer agent and registrar (the "Paying Agent"). If this bond shall not be paid upon such presentation and surrender, it shall continue to bear interest at the Interest Rate specified above until the

principal hereof is paid in full. Interest payable to the registered owner of this bond will be paid on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), by check mailed by the Paying Agent to the person in whose name this bond is registered (the "registered owner") on the registration records maintained by the Paying Agent and at the address as it last appears thereon at the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date (the "Record Date"). Any such interest not so timely paid shall cease to be payable to the person who is the registered owner hereof at the close of business on the Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Records Date, as defined in the ordinance adopted by the Council on January 17, 1990, authorizing this bond (the "Bond Ordinance"), for the payment of any defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the bonds of the series of which this is one (the "Bonds") not less than ten days prior thereto. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent.

The Bonds maturing on and after February 1, 1996, are subject to redemption in whole, or in part (in integral multiples of \$5,000) in inverse order of maturity, on and after February 1, 1995, at the redemption price equal to 100% of the principal amount of the Bonds or portions thereof redeemed plus accrued interest thereon to the redemption date. In the case of redemption of less than the entire principal amount of a Bond then outstanding, the City shall execute and the Paying Agent shall authenticate and deliver a replacement Bond for the unredeemed portion thereof, all without charge to the registered owner of such Bond.

Redemption shall be made upon not less than fifteen days' prior mailed notice to each registered owner as shown on the registration records kept by the Paying Agent in the manner and upon the conditions provided in the Bond Ordinance.

The Bonds are issued in fully registered form, in denomination equal to the principal amount of the Bonds maturing on each maturity date; provided that if a Bond is redeemed in part, such Bond may be in the denomination equal to the unredeemed principal amount thereof.

This bond is fully transferable on the registration records kept by the Paying Agent upon surrender of this bond together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the registered owner hereof or his duly authorized attorney. Upon such transfer a new fully registered bond of the same principal amount and maturity will be issued to the transferee in exchange for this bond, subject to the terms, conditions and charges as set forth in the Bond Ordinance. The City and the Paying Agent may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the

purpose of making payment and for all other purposes.

The Paying Agent will not be required (i) to transfer any Bond during the period beginning at the opening of business five days before the day of the mailing by the Paying Agent of a notice of prior redemption of Bonds and ending at the close of business on the day of such mailing, or (ii) to transfer any Bond after the mailing of notice calling such Bond for prior redemption.

The Bonds are issued by the City, upon its behalf and upon the credit thereof, for the purpose of defraying the cost of the Project (as defined in the Bond Ordinance), all under the authority of and in full conformity with the Charter of the City and the Constitution and laws of the State of Colorado; and pursuant to the Bond Ordinance duly adopted by the Council and made a law of the City prior to the issuance of this bond.

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officers of the City in the issuance of this bond; that the total indebtedness of the City, including that of this bond, does not exceed any limit of indebtedness prescribed by the Charter of the City or the Constitution or laws 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.

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

For the purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended, the City has designated the Bonds, in the Bond Ordinance, as a qualified tax-exempt obligation.

This bond shall not be valid or obligatory for any purpose until the Paying Agent shall have manually signed the certificate of authentication hereon.

IN TESTIMONY WHEREOF, the City has caused this bond to be signed and executed on its behalf by the manual signature of the President of the Council, has caused the seal of the City to be affixed thereon and has caused this bond to be executed and attested with the manual signature of its Clerk, all as of the date specified above.

(Manual Signature)

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

SEAL

Attest:

(Manual Signature)

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

(End of Form of Bond)

(Form of Certificate of Authentication)

This is one of the Bonds described in the Bond Ordinance, and this bond has been duly registered on the registration records kept by the undersigned as Paying Agent for the Bonds.

Date of Authentication: \_\_\_\_\_

FINANCE DIRECTOR, CITY OF GRAND JUNCTION, COLORADO, as Registrar

By

\_\_\_\_\_  
Finance Director

(End of Form of Certificate of Authentication)

(Form of Assignment)

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within bond and all rights hereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ to transfer the same on the records of the Paying Agent, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Name and address of transferee:

\_\_\_\_\_

\_\_\_\_\_

Social Security or other tax identification number of transferee:

\_\_\_\_\_

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within bond in every

particular, without alteration or enlargement or any change whatsoever.

(End of Form of Assignment)

Section 10. Delivery of Bonds. When the Bonds have been duly executed and authenticated, they shall be delivered to the Purchaser on receipt of the agreed purchase price. The Paying Agent shall register the Bonds in the name of the Purchaser. The funds realized from the sale of the Bonds shall be applied solely for the purposes set forth in Section 11 hereof. The Purchaser shall not be responsible for the application or disposal by the City, or any of its officers, of any of the funds derived from the sale of the Bonds.

Section 11. Disposition of Bond Proceeds. The net proceeds of the Bonds shall be deposited promptly by the City in a separate account to be applied to defray the cost of the Project and are hereby pledged therefor. The costs and expenses incurred by the City in connection with the issuance of the Bonds will be paid by the City from sources other than the proceeds of the Bonds.

After completion of the Project and payment of all issuance expenses, or after adequate provision therefor is made, any unexpended balance of the proceeds of the Bonds shall be deposited in an account maintained by the City's department of water and sewers and used for the purpose of supplying water to the City or for the payment of the principal of the Bonds.

Section 12. Payment of Principal and Interest; Ad Valorem Tax Covenant. The interest to become due on the Bonds through and including August 1, 1990, shall be paid from the general fund of the City or from any funds of the City available for that purpose. There shall be levied on all taxable property in the City at the time and in the manner provided by law, in addition to all other taxes, direct annual taxes sufficient to reimburse said fund or funds and to pay the principal of and the interest accruing on the Bonds promptly as the same shall become due and such taxes, when collected, shall be applied solely for the purpose of the payment of the principal of and interest on the Bonds as the same mature, respectively, and for no other purpose whatever until the indebtedness so contracted under this ordinance shall have been fully paid, satisfied and discharged; provided that nothing herein contained shall be construed as to prevent the application of any other funds belonging to the City and available for that purpose, including, without limitation, the funds referred to in Section 14 hereof, and upon such payments being made, the levy or levies herein provided may thereupon to that extent be diminished. Said direct annual taxes levied to pay said principal and interest shall be in addition to any and all other taxes levied to effect the purpose of the City. The sums herein provided to pay the interest on the Bonds and to discharge the principal thereof for each year shall be included in the annual budget to be adopted and passed by the Council in each year respectively. No statutory or

constitutional provisions enacted after the issuance of the Bonds shall in any manner be construed as limiting or impairing the obligation of the City to levy ad valorem taxes without limitation of rate or amount for the payment of the principal of and interest on the Bonds. The Bonds shall constitute the general obligations of the City and the full faith and credit of the City are hereby irrevocably pledged for the punctual payment of the principal of and interest on the Bonds. The Council shall certify in the manner required by law to the Board of County Commissioners of the County the aggregate amount of any taxes to be levied for the purposes aforesaid by the Board of County Commissioners of the County from time to time, as required by law, for the purpose of paying the principal of the Bonds and the interest thereon as the same shall hereafter become due.

Section 13. Tax Levy. It shall be the duty of the Council annually at the time and in the manner provided by law for levying other 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 levy and collection of taxes; and the Council shall require the officers of the City to levy, extend and collect such taxes in the manner provided by law for the purpose of payment of the principal of the Bonds and the interest accruing thereon. Such taxes, when collected, shall be kept for and applied only to the payment of the principal of and the interest on the Bonds as herein specified.

Section 14. Water Rates. 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 apply the revenues derived therefrom to the extent required to pay the principal of and interest on the Bonds. Said revenues shall be sufficient to pay the costs of operating and maintaining the City water system and, together with the aforesaid ad valorem tax levies, to pay the interest on and the principal of the Bonds as the same respectively become due.

Section 15. Federal Income Tax Covenants. The City covenants for the benefit of the registered owners that it will not take any action or omit to take any action with respect to the Bonds, the proceeds of the Bonds, any other funds of the City or the facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose the exclusion from gross income for federal income tax purposes under Section 103 of the Code, (ii) would cause the federal income tax purposes under Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted net book income and adjusted current earnings adjustments applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, (iii) would subject the City to any penalties under Section 148 of the Code or (iv) would cause interest on the Bonds to lose the exclusion from Colorado taxable

income or Colorado alternative minimum taxable income under present State of Colorado law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenant under the Code and Colorado law have been met.

For the purposes of Section 265(b)(3)(B) of the Code, the City hereby designates the Bonds as a qualified tax-exempt obligation.

Section 16. Defeasance. When the principal and interest due in connection with any Bond have been duly paid, all obligations hereunder with respect to such Bond shall be discharged, and such Bond shall no longer be deemed to be outstanding for any purpose of this ordinance. Payment of such Bond or any portion thereof shall be deemed made when the City has placed in escrow with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be wholly or in part initially invested) to meet all requirements of principal and interest on such Bond as the same becomes due to maturity or to any redemption date as of which the City shall have exercised or obligated itself to exercise its prior redemption option and have given irrevocable instructions to the Paying Agent to give notice of redemption to the holder of any such Bond. The Federal Securities shall become due or be callable at the option of the holder at or prior to the respective times on which the proceeds hereof shall be needed, in accordance with a schedule agreed upon between the City and such bank at the time of creation of the escrow.

Section 17. Delegation of Powers. The President of the Council, Clerk, Finance Director and other officers of the City be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this ordinance including without limiting the generality of the foregoing, the preparation of the Bonds, the execution of such certificates as may be required by the Purchaser relating to the execution of the Bonds, the tenure and identity of the City officials, the assessed valuation and indebtedness of the City, the receipt of the Bond purchase price and the absence of litigation, pending or threatened, if in accordance with the facts, affecting the validity thereof and the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 18. Supplemental Ordinances. The City may, without the consent of or notice to the registered owners, adopt one or more ordinances supplemental hereto, which supplemental ordinances shall thereafter form a part hereof, for any one or more of the following purposes:

(a) To cure any ambiguity, or to cure, correct or supplement any formal defect or omission or inconsistent provision contained in this ordinance, to make any provision necessary or desirable due

to a change in law, to make any provisions with respect to matters arising under this ordinance, or to make any provisions for any other purpose if, in each case, such provisions are necessary or desirable and do not adversely affect the interests of the owners of the Bonds; or

(b) To grant or confer upon the Paying Agent for the benefit of the registered owners any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the registered owners.

Section 19. Parties Interested Herein. Nothing herein expressed or implied confers any right, remedy or claim upon any person, other than the City, the Council, the Paying Agent and the registered owners of the Bonds. 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, the Council, the Paying Agent and the registered owners of the Bonds.

Section 20. Ratification. All action heretofore taken (not inconsistent with the provisions of this ordinance) by the Council and the officers of the City directed toward the Project and the sale and delivery of the Bonds for such purpose, be, and the same hereby is, ratified, approved and confirmed.

Section 21. Repealer. All by-laws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any such by-law, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 22. Severability. If any section, subsection, paragraph, clause or other provision of this ordinance for any reason is invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this ordinance.

Section 23. Ordinance Irrepealable. After any of the Bonds are issued, this ordinance shall constitute an irrevocable contract between the City and the registered owners of the Bonds and this ordinance shall be and shall remain irrepealable until the Bonds shall be fully paid, canceled and discharged, except as herein otherwise provided.

Section 24. Emergency Clause. Due to the necessity of proceeding with the acquisition of the Project at the earliest possible 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 as required by the Charter within three days.

