

ORDINANCE NO. 2597

AN ORDINANCE PROVIDING FOR THE ISSUANCE BY THE CITY OF GRAND JUNCTION, COLORADO OF ITS TAXABLE GENERAL OBLIGATION WATER REFUNDING BONDS, SERIES 1992; PROVIDING FOR THE REFUNDING AND PAYMENT UPON PRIOR REDEMPTION OF THE CITY'S GENERAL OBLIGATION WATER REFUNDING BONDS, SERIES 1984; PRESCRIBING THE FORM OF THE BONDS; PROVIDING OTHER DETAILS CONCERNING THE BONDS AND THE SYSTEM; AND RATIFYING ALL ACTION HERETOFORE TAKEN IN CONNECTION THEREWITH.

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

WHEREAS, Section 85 of the Charter provides that indebtedness of the City shall be incurred and limited as provided in Article XI of the Constitution of the State; and

WHEREAS, the City has heretofore issued its General Obligation Water Refunding Bonds, Series 1984 (the "1984 Bonds" or the "Refunded Bonds"), dated April 15, 1984 in the original aggregate principal amount of \$5,200,000, or which \$2,595,000 remains outstanding, bearing interest at the rate of 9.5%, payable semiannually on May 15 and November 15 each year, and maturing on November 15, 1996 (but also subject to mandatory sinking fund payments):

WHEREAS, the 1984 Bonds maturing November 15, 1996 are subject to redemption prior to maturity, at the option of the City, as a whole on November 15, 1992, and on any interest payment date thereafter, upon payment of par, a redemption premium of 1.00% of the principal amount so redeemed, and accrued interest; and

WHEREAS, the City is not delinquent in the payment of the principal of, or interest on any of the 1984 Bonds; and

WHEREAS, after extended discussions and consultation it has been determined by the City Council that by entering into and completing a refunding program at this time, the City can effect a debt service savings with respect to the 1984 Bonds; and

WHEREAS, the City Council has determined and hereby determines that it is in the best interests of the City, and the inhabitants and taxpayers thereof, that the 1984 Bonds described above in the total aggregate principal amount of \$2,595,000 be refunded and that taxable general obligation water refunding bonds be issued in the aggregate principal amount of \$_____ for such purpose (the "Refunding Bond" or the "Bonds"); and

WHEREAS, the proceeds derived from the sale of said Refunding Bonds, after payment of the costs and expenses of the refunding

program, shall be deposited with the paying agent for the 1984 Bonds to be used for the purpose only of paying the 1984 Bonds being refunded, as to principal, premium, and interest on prior redemption, all as is hereinafter more specifically set forth; and

WHEREAS, the City Council has determined that it is necessary at this time to authorize the issuance of Taxable General Obligation Water Refunding Bonds, Series 1992 (the "Bonds"), in the total aggregate principal amount of \$_____; and

WHEREAS, there has been presented to City Council the form of Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into between the City and Dougherty, Dawkins, Strand & Bigelow, Incorporated (the "Underwriter") and the form of Preliminary Official Statement; and

WHEREAS, it is necessary to provide for the forms and details of the Bonds, the payment of the Bonds, the payment and discharge of the Refunded Bonds, and other provisions relating to the authorization and issuance of the Bonds.

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

Section 1. Definitions. As used herein, the following terms shall have the respective meanings set froth below, unless the context indicates otherwise (other terms are defined parenthetically throughout this Ordinance):

Bond Fund: the "City of Grand Junction, Colorado, General Obligation Water Bonds, Series 1992 Bond Fund", established by Section 9 of this Ordinance.

Bond Registrar: _____, in Denver, Colorado, or its successor, which shall perform the functions of bond registrar and transfer agent with respect to the Bonds.

Bondholder: the registered owner of any Bond, as shown by the registration books maintained by the Bond Registrar on behalf of the City.

Bonds or Refunding Bonds: the City's Taxable General Obligation Water Refunding Bonds, Series, 1992, dated September 15, 1992, issued in the aggregate principal amount of \$_____, as authorized by this Ordinance.

City: the City of Grand Junction, Colorado.

City Council: the City Council of the City.

Federal Securities: non-callable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States of America.

1984 Bonds or Refunded Bonds: the outstanding portion of the City's General Obligation Water Refunding Bonds, Series 1984, dated April 15, 1984, issued in the original aggregate principal amount of \$5,200,00 and currently outstanding in the aggregate principal amount of \$2,595,000.

Ordinance: this Ordinance which authorizes the issuance of the Bonds.

Paying Agent: _____, in Denver, Colorado, or its successor, which shall perform the function of paying agent with respect to the Bonds.

Refunding Project: the payment of the principal and prior redemption premium of and interest on the 1984 Bonds on November 15, 1992 on prior redemption thereof and payment of expenses related thereto.

Section 2. Authorization. In accordance with the Constitution of the State of Colorado; the Charter; and Title 11, Article 56, Colorado Revised Statutes, as amended ("C.R.S."); and all other laws of the State of Colorado thereunto enabling, the City shall issue its Bonds in the total aggregate principal amount of \$_____ for the purpose of refunding the 1984 Bonds, which the City Council has determined to refund.

The Refunding Bonds shall be designated "Taxable General Obligation Water Refunding Bonds, Series 1992". The Bonds shall constitute general obligations of the City, and the full faith and credit of the City shall be pledged for their payment.

Section 3. Bond Details. The Bonds shall be issued in fully registered form in denomination of \$5,000 and integral multiples thereof (provided that no Bond may be in a denomination which exceeds the principal of the Bonds of which it is a part coming due on any maturity date and no individual Bond will be issued for more than one maturity). The Bonds shall be numbered in such manner as shall be determined by the Registrar. The Bonds shall be dated September 15, 1992, and shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date to maturity at the rates specified below payable semiannually on May 15 and November 15 in each year, commencing November 15, 1992, except that Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at such rates from the most recent interest payment date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bonds. The Bonds shall mature semi-annually on May 15 and November 15 in each of the years and amounts hereinafter designated, as follows:

Amounts Maturing	Maturity	Interest Rates
\$	November 15, 1992	
	May 15, 1993	
	November 15, 1993	
	May 15, 1994	
	November 15, 1994	
	May 15, 1995	
	November 15, 1995	
	May 15, 1996	
	November 15, 1996	

The principal of any Bond shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar upon maturity thereof and upon presentation and surrender at the principal office of the Paying Agent in Denver, Colorado. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof at his address as it last appears on the registration records kept by the Registrar on the close of business on the last business day of the calendar month preceding an interest payment date (the "Record Date"); but any such interest not so timely paid or duly provided for 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 Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given by the Registrar to the registered owners of the Bonds not less than ten days prior to the Special Record Date by first-class mail to each such registered owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the owner of such Bond and the Paying Agent (provided, however, that the

City shall not be required to make funds available to the Paying Agent prior to the interest payment dates stated herein). All such payments shall be made in lawful money of the United States of America, without deduction for the services of the Registrar or Paying Agent.

Section 4. No Prior Redemption. The Bonds are not subject to redemption prior to their respective maturities.

Section 5. Negotiability. Subject to the registration provisions hereof, the Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the owner or owners thereof shall possess all rights enjoyed by the holders or owners of negotiable instruments under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest on the Bonds shall be paid, and the Bonds shall be transferable, free from and without regard to any equities between the City and the original or any intermediate owner of any Bonds or any setoffs or cross-claims.

Section 6. Execution and Authentication of Bonds. The Bonds shall be executed in the name and on behalf of the City by the signature of the Mayor, shall be sealed with a manual or facsimile impression of the seal of the City and attested by the signature of the City Clerk, and shall be countersigned by the signature of the City Treasurer. Each Bond shall be authenticated by the manual signature of an authorized officer of the Registrar as hereinafter provided. The signatures of the Mayor, the City Clerk and the City Treasurer may be by manual or facsimile signature. The Bonds bearing the manual or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the City (subject to the requirement of authentication by the Registrar as hereinafter provided), notwithstanding that before the delivery thereof and payment therefor or before the issuance of the Bonds upon transfer or exchange, any or all of the persons whose manual or facsimile signatures appear thereon shall have ceased to fill their respective offices. The Mayor, the City Clerk, and the City Treasurer, shall, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures any facsimiles thereof appearing on the Bonds. At the time of the execution of the signature certificate, the Mayor, the City Clerk and the City Treasurer, may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds.

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 Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by the Registrar if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same officer or employee sign

the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds initially delivered pursuant to this ordinance, the Registrar shall be deemed to have assented to the provisions of this ordinance.

Section 7. Registration, Transfer and Exchange.

A. Books for the registration and transfer of the Bonds shall be kept by the Registrar, which is hereby appointed by the City as registrar (i.e., transfer agent) for the Bonds. Upon the surrender for any transfer of any Bond at the Registrar's principal office in Denver, Colorado, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall enter such transfer on the registration records and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, and of the same maturity, bearing a number or numbers not previously assigned. Bonds may be exchanged at the Registrar for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations. The Registrar shall authenticate and deliver a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with such exchanges and transfers of Bonds, which charges (as well as any tax or other governmental charge required to be paid with respect to such exchange or transfer) shall be paid by the Bond owner requesting such exchange or transfer.

B. The person in whose name any Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest as is provided in Section 3 hereof; and payment of or on account 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 upon transfer of such Bond 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.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it and the City 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 Registrar may direct the Paying Agent to pay such Bond in lieu of replacement. The Bond owner requesting such replacement or payment shall be responsible for payment of all expenses of the Registrar and City in this connection.

D. The officers of the City are authorized to deliver to the Registrar fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Registrar pending use as herein provided.

E. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the City.

Section 8. Bond Forms. The Bonds, Registrar's certificate of authentication, form of assignment, and legal opinion certificate shall be in substantially the following form (provided that any of the text may, with appropriate references, be printed on the back of the Bonds), with such omissions, insertions, endorsements and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this ordinance, or be consistent with this ordinance and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF MESA

CITY OF GRAND JUNCTION

TAXABLE GENERAL OBLIGATION WATER REFUNDING BOND

SERIES 1992

T- _____

\$ _____

INTEREST RATE

MATURITY DATE

DATED

CUSIP

September 15, 1992

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The City of Grand Junction (herein the "City"), in the County of Mesa and State of Colorado, for value received, hereby acknowledges itself indebted and hereby promises to pay to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above, and interest thereon payable on May 15 and November 15 in each year, commencing November 15, 1992, at the interest rate per annum specified above, until the principal sum is paid or payment has been provided therefor. This bond will bear interest (calculated on the basis of a 360-day year of twelve 30-day months) from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this bond. The principal on this bond is payable upon presentation and surrender hereof at the principal office of the paying agent appointed by the City (the "Paying Agent"), presently _____, Denver, Colorado. Interest on this bond will be paid on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), by check or draft mailed to the person in whose name this bond is registered (the "registered owner") in the registration records of the City maintained by the Registrar for the bonds appointed by the City (the "Registrar"), presently _____, Denver, Colorado and at the address appearing thereon at the close of business on the last business day of the calendar month preceding such interest payment date (the "Record Date"). Any such interest not so timely paid or duly provided for 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 Record Date (as described in the ordinance of the City authorizing the issuance of this bond; herein the "Bond Ordinance") for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Registrar 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 of the series of which this is one (the "bonds") not less than ten days prior thereto. Alternative means of payment of interest may be used if mutually agreed to between the owner of any bond and the Paying Agent, as provided in the Bond Ordinance. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Registrar or Paying Agent.

The bonds are not subject to redemption prior to their respective maturities.

The bonds are issuable only as fully registered bonds in denominations of \$5,000 and integral multiples thereof. The bonds are exchangeable for fully registered bonds of the same maturity

in equal aggregate principal amounts and in authorized denominations at the principal office of the Registrar but only in the manner, subject to the limitations and conditions, and upon payment of the charges provided in the Bond Ordinance.

This bond is fully transferable by the registered owner hereof in person or by his duly authorized attorney on the registration records kept by the Registrar upon surrender of this bond together with a duly executed written instrument of transfer satisfactory to the Registrar. Upon such transfer a new fully registered bond or bonds of authorized denomination or denominations of the same series, aggregate principal amount and maturity will be issued to the transferee in exchange for this bond, subject to such terms and conditions and upon payment of such charges as set forth in the Bond Ordinance. The City, the Registrar 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, except to the extent otherwise provided herein and in the Bond Ordinance with respect to the Record Dates and Special Record Dates for the payment of interest.

This bond is issued by the City Council of the City for the purpose of refunding and paying certain outstanding bonded indebtedness of the City under the authority of and in full conformity with the Constitution of the State of Colorado, the Charter of the City and Title 11, Article 56 of Colorado Revised Statutes, as amended ("C.R.S."), and all other laws and statutes of the State of Colorado thereunto enabling, and pursuant to an ordinance of the City duly adopted, published and made a law of the City, all prior to the issuance of this bond. Pursuant to Section 11-56-107(6), C.R.S., such recital conclusively imparts full compliance with all of the provisions of said Article 56, and this bond issued containing such recital is incontestable for any cause whatsoever after its delivery for value.

INTEREST ON THIS BOND IS NOT EXCLUDED FROM GROSS INCOME OR ALTERNATIVE MINIMUM TAXABLE INCOME FOR FEDERAL INCOME TAX PURPOSES.

It is hereby certified and recited that all the requirements of law have been fully complied with by the proper City officers in the issuance of this bond, and that the total debt of the City, including that of this bond, does not exceed any limit of indebtedness prescribed by the ordinances or Charter of the City nor by the Constitution or laws of the State of Colorado, and that provision has been made for the levy and collection of annual taxes on all of the taxable property in the City sufficient to pay the interest on and the principal of this bond when the same become due to the extent other revenues are not available.

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.

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

IN TESTIMONY WHEREOF, the City Council of the City of Grand Junction has caused this bond to be signed and executed in its name with a manual or facsimile signature of the Mayor of the City, to be signed, executed and attested with a manual or facsimile signature of the City Clerk of the City, with a manual or facsimile impression of the seal of the City affixed hereto, and to be countersigned with a manual or facsimile signature of the City Treasurer of the City, all as of the date specified above.

(Manual or Facsimile Signature)

Mayor

(MANUAL OR FACSIMILE SEAL)

Attest:

(Manual or Facsimile Signature)

City Clerk

Countersigned:

(Manual or Facsimile Signature)

City Treasurer

(End of Form of Bond)

(Form of Registrar's Certificate of Authentication)

This is one of the bonds described in the within-mentioned Bond Ordinance, and this bond has been duly registered on the registration records kept by the undersigned as Registrar for such bonds.

_____, as Registrar

Date of Authentication and Registration: _____

By:

Authorized Officer or Employee

(End of Form of Registrar's Certificate of Authentication)

(Form of Assignment)

For value received, the undersigned hereby sells, assigns and

transfers unto _____ the within bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the records of the Registrar, with full power of substitution in the premises.

 Dated: _____

Signature Guaranteed:

 Address of transferee:

Social Security or other tax identification number of transferee:

NOTE: The signature of 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)

STATE OF COLORADO)		
)		LEGAL OPINION
COUNTY OF MESA)	SS.	
)		CERTIFICATE
CITY OF GRAND JUNCTION)		

I, the undersigned City Clerk of the City of Grand Junction, in the County of Mesa and State of Colorado, do hereby certify that the following approving legal opinion of Sherman & Howard,

Attorneys at Law, Denver, Colorado:

[Insert text of legal opinion]

is a true, perfect and complete copy of a manually executed and dated copy thereof on file in the records of the City in my office; that a manually executed and dated copy of the opinion was forwarded to a representative of the original purchasers for retention in their records; and that the opinion was dated and issued as of the date of the delivery of and payment for the bonds of the series of which this is one.

IN WITNESS WHEREOF, I have caused to be hereunto set my manual or facsimile signature.

(Manual or Facsimile Signature)

City Clerk

(End of Form of Legal Opinion Certificate)

Section 9. Delivery of Bonds; Disposition of Bond Proceeds. When the Bonds have been duly executed by the appropriate City officers and authenticated by the Registrar, the City Treasurer shall cause the Registrar to deliver them, at one time or from time to time, to the original purchasers, on receipt of the agreed purchase price. The Registrar shall initially register the Bonds in such name or names as the original purchasers shall direct, and the Bonds shall be initially delivered in such authorized denominations as the original purchasers shall direct. The funds raised thereby shall be applied in the following manner, but the purchasers of the Bonds in no manner 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 of the Bonds:

A. Accrued Interest and premium, if any, on the Bonds shall be credited to the special and separate account, hereby created and established, which account shall be under the control of the City, to be known as the "City of Grand Junction, Colorado, General Obligation Water Bonds, Series 1992, Bond Fund" (the "Bond Fund"), for the purpose of paying the interest on and the principal of the Bonds, respectively, as the same next become due and owing.

B. An amount of proceeds of the Refunding Bonds sufficient, to effect the Refunding Project shall be paid to the paying agent for the 1984 Bonds, along with irrevocable instructions to use such moneys to pay the 1984 Bonds on prior redemption thereof on November 15, 1992.

C. The balance of the proceeds of the Refunding Bonds shall be paid to the City to pay the incidental costs associated with the Refunding Project, including costs of issuance of the Refunding Bonds. Any unexpended balance of the Refunding Bonds after payment of such costs shall be deposited in the Bond Fund created above.

D. After completion of the Refunding Project, including payment of all issuance expenses, or after adequate provision therefor is made, any unexpended balance of Improvement Bond proceeds shall be deposited in the Bond Fund created above.

Section 10. Pledge of Ad Valorem Taxes. The interest falling due on the Bonds on November 15, 1992, shall be paid out of the general revenues of the City or out of any funds available for that purpose, including, without limitation, the net revenues of the City's water system; and for the purpose of reimbursing such general revenues or such fund or funds and for the purpose of providing the necessary funds to meet the principal and interest thereafter accruing on the Bonds, as the same become due, there shall be levied on all the taxable property in the City, in addition to all other taxes, direct annual taxes sufficient in amount to pay the interest and principal promptly as the same, respectively, become due, and such taxes when collected shall be deposited in the Bond Fund, such fund to be applied solely for the purpose of the payment of the interest on and the principal of the 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. Nothing herein shall be so construed as to prevent the City from applying the net revenues of the City's water system or any other funds available for that purpose to the payment of such interest or principal as the same, respectively, mature; and upon such payments, the levy or levies herein provided may thereupon to that extent be diminished. The sums produced by the levies hereinabove provided to meet the interest on the Bonds and to discharge the principal thereof when due are hereby applied for that purpose, and such amounts for each year shall be included in the annual budget and appropriation ordinances or other measures to be adopted and passed by the Council in each year.

Section 11. Application of Net Revenues. Notwithstanding the foregoing provisions for tax levies, the City covenants and agrees to establish, maintain, and enforce a schedule of rates, fees, tolls, and charges for the availability of, connection to, and use of the water facilities of the City, which together with said tax levies and all other revenues of the City, shall be sufficient to pay the cost of operating and maintaining said facilities and to pay the principal of and interest on the Bonds as the same respectively mature and accrue.

Section 12. Collection of Delinquent Rates, Fees, Tolls, and Charges. Until paid, all rates, fees, tolls, and charges shall constitute a perpetual lien on or against the property served, and any such lien may be foreclosed in the manner provided by the laws of the State of Colorado. The City Council shall take all necessary and proper steps to enforce promptly the payment of rates, fees, tolls, and charges levied pursuant to this Ordinance or other ordinances, resolutions, or acts of the City Council.

Section 13. Levy of Taxes. It shall be the duty of the Council, 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 the Council shall require the officer of and for the City to levy, extend and collect such taxes in the manner provided by law for the purpose of creating a fund for the payment of the principal of the 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 the Bonds as hereinabove specified.

Section 14. Redemption of the Refunded Bonds. The City hereby irrevocably elects and is hereby obligated to exercise its option to redeem the Refunded Bonds on November 15, 1992, at a price equal to the principal amount thereof, accrued interest to the redemption date and a premium equal to one percent (1%) of the principal amount thereof.

Section 15. Deficiencies in Amount of Refunding Bond Proceeds. If for any reason the amount deposited with the registrar for the 1984 Bonds shall be insufficient for the purpose of Section 14 hereof pertaining thereto, the City shall forthwith from the first moneys available therefor deposit with the registrar for the 1984 Bonds such additional moneys as shall be necessary to permit the payment in full of the principal, interest and prior redemption premium due in connection with the Refunded Bonds as herein provided.

Section 16. Notice of Prior Redemption. City Council hereby directs the giving of notice of prior redemption with respect to the 1984 Bonds and directs that such notice be given by first class postage prepaid mail, to each registered owner of the 1984 Bonds at his address as it last appears on the registration records kept by the registrar for the Series 1984 Bonds.

Section 17. Successory Registrar and Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the City shall reasonably determine that said Registrar or Paying Agent has become incapable of performing its duties hereunder, the City may, upon notice mailed to each owner of any bond at his address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed; provided that if no successor is appointed by the end of 90 days, the Paying Agent or Registrar may petition a court of competent jurisdiction to appoint a successor. Every such successor Registrar or Paying Agent shall be a bank or trust company having a shareholders' equity (e.g., capital, surplus, and undivided profits), however denominated, of not less than \$10,000,000. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have

the same institution serve as both Registrar and Paying Agent hereunder.

Section 18. Defeasance. When the Bonds have been fully paid both as to principal and interest, all obligations hereunder shall be discharged, and the Bonds shall no longer be deemed to be outstanding for any purpose of this ordinance. Payment of the Bonds 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, as hereinafter defined) to meet all requirements of principal and interest on such Bonds as the same become due to maturity. The Federal Securities shall become due prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule agreed upon between the City and such bank at the time of creation of the escrow. Federal Securities within the meaning of this section shall include only direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States, and which are not callable prior to their schedule maturities by the issuer thereof, or interests in such obligations.

In the event that there is a defeasance of only part of the Bonds, the Registrar shall, if requested by the City, institute a system to preserve the identity of the individual Bonds or portions thereof so defeased, regardless of changes in Bond numbers attributable to transfers and exchanges of Bonds; and the Registrar shall be entitled to reasonable compensation and reimbursement of expenses from the City in connection with such system.

Section 19. Acceptance of Bond Purchase Agreement. The City Council hereby accepts the Bond Purchase Agreement as submitted by the Underwriter, and hereby authorizes the sale of the Bonds to the Underwriter at a price of \$ _____ (consisting of par less underwriter's discount of \$ _____), plus accrued interest, and otherwise upon the terms, conditions, and provisions as set forth in the Bond Purchase Agreement. The City Council hereby determines that the sale of the Bonds as provided herein and in the Bond Purchase Agreement is to the best advantage of the City.

Section 20. Ratification of Prior Actions; Authorization to Take Further Action. All actions heretofore taken by the officers of the City and members of the City Council, not inconsistent with the provisions of this Ordinance, relating to the authorization, sale, issuance, and delivery of the Bonds, 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 printing of the Bonds, the entering into and execution of appropriate agreements as to services and compensation of the Registrar and Paying Agent, the execution of an escrow agreement with respect to Bond proceeds to be used to pay the 1984 Bonds,

the execution of such certificates as may be required by the Underwriter, including without limitation certificates relating to the signing of the Bonds, the tenure and identity of the municipal officials, the delivery of the Bonds and receipt of the bond purchase price, and the absence of pending or threatened litigation, if in accordance with the facts, affecting the validity thereof.

Section 21. Approval of Preliminary Official Statement and Authorization of Final Preliminary Official Statement. The distribution and use of the Preliminary Official Statement date _____, 1992, is hereby ratified, approved and confirmed. The Underwriter is authorized to prepare or cause to be prepared, and the Finance Director is authorized and directed to approve, on behalf of the City, a final Official Statement for use in connection with the offering and sale of the Bonds. The execution of a final Official Statement by the Finance Director shall be conclusively deemed to evidence the approval of the form and contents thereof the City.

Section 22. Ordinance a Contract. After any of the Bonds herein authorized are issued, this Ordinance shall constitute a contract between the City and the owner or owner of the Bonds, and shall be and remain irrevocable and unalterable until the Bonds and the interest accruing thereon shall have been fully paid, canceled, and discharged.

Section 23. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall in no manner affect any other provision of this Ordinance.

Section 24. First Publication. The City Clerk is hereby directed to have this Ordinance published in full in the Daily Sentinel, a newspaper published in the City, on or before August 23, 1992; such publication shall include a notice that this Ordinance will be considered for second reading and adoption on September 2, 1992.

Section 25. Recording, Final Publication and Authentication. This Ordinance, immediately on its final passage, shall be recorded in the City book of ordinances kept for that purpose, authenticated by the signatures of the Mayor and the City Clerk, and shall be published in full in the Daily Sentinel, a legal newspaper published in the City. This ordinance shall take effect 30 days after publication following final passage.

INTRODUCED AND READ BY TITLE OR IN FULL on August 19th, 1992.

ADOPTED AND APPROVED on September 2, 1992.

NAME

Mayor

(SEAL)

Attest:

Theresa F. Martinez

Acting City Clerk

I HEREBY CERTIFY that the foregoing ordinance, being Ordinance No. 2597, was introduced, read, and ordered published by the City Council of the City of Grand Junction, Colorado, at a regular meeting of said body held on the 19th day of August, 1992, and that the same was published in The Daily Sentinel, a newspaper published and in general circulation in said City, at least ten days before its final passage.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 3rd day of September, 1992.

Theresa F. Martinez

Theresa F. Martinez, CMC
Acting City Clerk

Published: August 21, 1992
Published: September 4, 1992
Effective: October 4, 1992