

"AN ORDINANCE PROVIDING FOR THE ISSUANCE BY THE CITY OF MONTROSE, COLORADO, OF ITS NEGOTIABLE COUPON BONDS IN THE AGGREGATE AMOUNT OF EIGHTY* FIVE THOUSAND FIVE HUNDRED DOLLARS (\$85,500) TO BE DENOMINATED WATER REFUNDING BONDS, SERIES OF 1938, FOR THE PURPOSE OF REFUNDING A LIKE AMOUNT OF OUTSTANDING BONDED INDEBTEDNESS OF SAID CITY, PERSCRIBING THE FORM OF SAID REFUNDING BONDS AND PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX TO PAY THE SAME, PRINCIPAL AND INTEREST: REPEALING ALL ORDINANCES, RESOLUTIONS OR PARTS THEREOF IN CONFLICT HEREWITH, AND DECLARING AN EVERGENCY."

WHEREAS, the City of Montrose, Colorado, has heretofore issued and there is now outstanding and unpaid its negotiable coupon bond consisting of

\$85,500 2-3/4% Water Extension Bond, dated October 1, 1938, due october 1, 1948, and redeemable on and after date of issue, being Bond No. 1, in the denomination of \$85,500.

and

WHEREAS, there are and will be no funds in the Treasury of said City, available for the redemption of said outstanding bonded indebtedness in the amount of Eighty-five Thousand Five Hundred Dollars (\$85,500), or any part thereof; and

WHEREAS, by a resolution duly adopted on the 20th day of September, A. D. 1938, the City Council of the City of Montrose, Colorado, determined to issue in accordance with the Charter of said City, and the State of Colorado, particularly Chapter 237, Session Laws of Colorado, 1921, Water Refunding Bonds, the same to be exchanged dollar for dollar for the bond to be refunded, the amount of bonds so determined to be issued as aforesaid being the sum of Eighty-five Thousand Five Hundred Dollars (\$85,500), and the Certificate of such Determination having been heretofore duly made and entered in and upon the records of said City, as required by law; and

WHEREAS, the City Council has heretofore determined that said Water Refunding Bonds so to be issued in the aggregate amount of Eighty-five Thousand Five Hundred Dollars (\$85,500) shall be exchanged dollar for dollar for the bond to be refunded, as aforesaid, as and in the manner provided by law:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF

MONTROSE, MONTROSE COUNTY, COLORADO:

Section 1. That by virtue and in pursuance of the Charter of said City and of an Act of the General Assembly of the State of Colorado, entitled: "AN Act to enable cities and towns to refund their bonded indebtedness", approved March 18, 1921, and appearing as Chapter 237 of the Session Laws of Colorado, 1921, there shall be issued negotiable coupon bonds of said City, to be denominated "Water Refunding Bonds", in the amount of Eighty-five Thousand Five Hundred Dollars (\$85,500), for the purpose of refunding a like amount of the outstanding indebtedness of said City dated October 1, 1938, which said indebtedness the City Council of said City has determined to call in for exchange as provided herein.

Section 2. That the Mayor and City Clerk of said City of Montrose be and they are hereby authorized and directed to have prepared negotiable coupon refunding bonds of said City in the said aggregate amount of Eighty-five Thousand Five Hundred Dollars (\$85,500).

Section 3. That said bonds hereby authorized shall be negotiable in form, payable to bearer, shall bear date the first day of October, A. D. 1938, shall bear interest at the rate of Two and three-quarters per centum ($2\frac{3}{4}\%$) per annum, payable semi-annually on the first day of April and the first day of October in each year, and shall consist of the following:

\$85,500 $2\frac{3}{4}\%$ Water Refunding Bonds, Series of 1938, dated October 1, 1938 and due serially \$4,000 of bonds on October 1st of each of the years 1939 to 1947, both inclusive, and \$4,500 of bonds on October 1st of each of the years 1948 to 1958, both inclusive, consisting of 80 bonds in the denomination of \$1,000 each and 11 bonds in the denomination of \$500 each, numbered from 1 to 91, both inclusive.

The principal of said bonds and the interest accruing thereon shall be payable at the office of the City Treasurer in Montrose, Colorado, in lawful money of the United States of America. Said bonds shall be signed by the Mayor, countersigned by the City Treasurer, with the seal of said City affixed thereto, and attested by the City Clerk of said City. The interest accruing on said bonds shall be evidenced by interest coupons thereto attached, bearing the engraved facsimile signature of the City Treasurer of said City, and when so executed such coupons shall be the binding obligations of the City according to their import.

Section 4. Said bonds and the coupons to be attached thereto shall be in substantially the following form:

UNITED STATE OF AMERICA

STATE OF COLORADO

County OF MONTROSE

CITY OF MONTROSE

WATER REFUNDING BOND

SERIES OF 1936

NO. _____

\$ _____

The City of Montrose, Montrose County, Colorado, for value received, hereby acknowledges itself indebted and promises to pay to bearer the sum of _____ DOLLARS on the first day of October, A.D. 19__, with interest thereon at the rate of Two and three-quarters per centum (2-3/4%) per annum, payable on the first day of April and the first day of October in each year, upon presentation and surrender of this bond and the attached coupons as they severally become due, both principal and interest being payable at the office of the City Treasurer in Montrose, Colorado, upon presentation of said coupons and this bond, respectively.

This bond is issued by the City of Montrose, Colorado, for the purpose of paying, redeeming and refunding an unpaid, payable, lawful and valid bond of said City, and the lawful and valid indebtedness evidenced thereby under, by virtue of and in full conformity with the provisions of the Charter of said City and an Act of the General Assembly of the State of Colorado, entitled: "An Act to enable cities and towns to refund their bonded indebtedness", approved March 16, 1921, being Chapter 237, Session Laws of Colorado, 1921, and pursuant to an ordinance duly adopted by the City Council of said City at a lawful meeting thereof held prior to the issuance of this bond; and it is hereby certified and recited that all acts and things required to be done and conditions and things required to exist precedent to and in the issuing of this bond to render the same lawful and valid, have happened, been properly done and performed, and did exist in regular and due time, form and manner as required by law, and that the total debt of said City of Montrose, including that of this bond, exceeds neither the charter, statutory or constitutional limitations of the State of Colorado; that said total debt is not increased by the issuance hereof, and that provision has been made for the levy and collection of a direct annual tax on all the taxable property of said City sufficient to pay the principal and interest of this bond as the same respectively come due.

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

IN WITNESS WHEREOF, The City of Montrose, Montrose County, Colorado, has caused this bond to be signed by its Mayor, countersigned by its City Treasurer, and sealed with the corporate seal, and attested by its City Clerk, and has caused the annexed interest coupons to be executed with the engraved facsimile signature of its City Treasurer, as of this first day of October, A. D. 1938.

MAYOR

(SEAL)

COUNTERSIGNED:

CITY TREASURER

ATTEST:

CITY CLERK

(FORM OF COUPON)

No. _____ April \$ _____

On the first day of October, A. D. 19__, the City of Montrose, in the State of Colorado, promises to pay to bearer

DOLLARS

in lawful money of the United States of America, at the office of the City Treasurer, in Montrose, Colorado, being six months's interest on its Water Refunding Bond, Series of 1938, dated October 1, 1938, bearing

No. _____

(FACSIMILE SIGNATURE)
City Treasurer

Section 5. That when issued, the Water Refunding Bonds hereby authorized, shall be exchanged, dollar for dollar, for the bonds to be refunded, and the Water Refunding Bonds shall not be issued until the said outstanding bond hereinbefore described has been called in and cancelled in an amount equal to or in excess of the bonds so issued and all accrued interest on the bond to be refunded shall be paid before such Water Refunding Bonds are issued in exchange therefor.

Section 6. The interest falling due on said bonds on the first day of April, 1939, shall be paid out of the general fund of said City, and for the purpose of reimbursing said general fund for said interest and to meet the interest accruing on said bonds promptly as the same shall become due, and for the purpose of creating a sinking fund for the redemption of said bonds as they mature, there shall be levied by the City Council of the City of Montrose, Colorado, on all taxable property in said City, in addition to all other taxes, direct annual taxes, sufficient to produce in the following amounts and at the following times, to-wit:

<u>YEAR OF LEVY</u>	<u>FOR PRINCIPAL</u>	<u>FOR INTEREST</u>	<u>TOTAL</u>
1938	\$4,000	\$2,351.25	\$6,351.25
1939	4,000	2,241.25	6,241.25
1940	4,000	2,131.25	6,131.25
1941	4,000	2,021.25	6,021.25
1942	4,000	1,911.25	5,911.25
1943	4,000	1,801.25	5,801.25
1944	4,000	1,691.25	5,691.25
1945	4,000	1,581.25	5,581.25
1946	4,000	1,471.25	5,471.25
1947	4,500	1,361.25	5,861.25
1948	4,500	1,237.50	5,737.50
1949	4,500	1,113.75	5,613.75
1950	4,500	990.00	5,490.00
1951	4,500	866.25	5,366.25
1952	4,500	742.50	5,242.50
1953	4,500	618.75	5,118.75
1954	4,500	495.00	4,995.00
1955	4,500	371.25	4,871.25
1956	4,500	247.50	4,747.50
1957	4,500	123.75	4,623.75

and said taxes, when collected, shall be placed in a fund to be called the "Redemption Fund to pay Water Refunding Bonds, Series of 1938, dated October 1, 1938", and said taxes shall be applied solely for the purpose of the payment of said interest and principal of said bonds respectively, and for no other purpose whatever until the bonds authorized under this ordinance, principal and interest, shall have been fully paid, satisfied and discharged, but nothing herein contained shall be so construed as to prevent said City from applying any other funds that may be in the treasury of the City and available for that purpose to the payment of the said interest or principal as the same respectively mature and the levy or levies provided for may thereupon to that extent be diminished.

Section 7. All revenues derived from the operation of the municipal water system of the City of Montrose, Colorado. After the payment of the cost of the operation and maintenance of said system, shall be irrevocably pledged to the payment of the principal and interest

on said Water Refunding Bonds and upon the application of such revenues to such purpose, the tax levies hereinbefore specified may be reduced as provided in Section 6 of this Ordinance.

Section 8. That the provisions of this ordinance and each of the bonds and the interest coupons issued pursuant thereto shall constitute, and the same are hereby declared to be a binding and irrevocable contract between said City and the holder from time to time of each of said bonds and the interest coupons thereto appertaining.

Section 9. That after said bonds are issued this ordinance shall not be altered or repealed until the bonds hereby authorized shall have been fully paid, both principal and interest.

Section 10. All ordinances or resolutions, or parts thereof, heretofore adopted in conflict with the provisions hereof, be and the same hereby are repealed.

Section 11. That it is necessary for the refunding proceedings herein provided for to be completed as soon as possible in order that the said City may obtain the benefit of the present offer to exchange the outstanding bond for the refunding bonds, therefore, 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 and shall become effective five days after its final publication. This ordinance, immediately upon its passage, shall be recorded in the Book of Ordinances of said City kept for that purpose, authenticated by the signature of the Mayor and City Clerk, and shall be published as required by law.

Introduced this _____ day of September, A. D. 1938.

A. B. Pinkstaff
Mayor

(SEAL)

ATTEST:

Ada White
City Clerk

Finally passed and adopted this _____ day of _____, A.D. 1938

A. B. Pinkstaff
Mayor

(SEAL)

ATTEST:

Ada White
City Clerk