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**NOTIFICATION OF ASSIGNMENTS OF
PRIVATE ACTIVITY BOND CEILING**

September 14, 2010

VIA HAND DELIVERY

Ms. Ann Watts
Colorado Department of Local Affairs
1313 Sherman Street, Room 518
Denver, Colorado 80203

1981 Blake Street
Denver, CO 80202

Dear Ms. Watts:

Pursuant to Section 24-32-1706(2) of the Colorado Private Activity Bond Ceiling Allocation Act, the Colorado Housing and Finance Authority ("Authority") and the City of Grand Junction ("City") hereby notify you of the City's assignment to the Authority of \$2,483,505 of its 2010 allocation of the State's private activity bond ceiling.

Enclosed for your records is a copy of the executed Assignment of Allocation (the "Assignment"). The Assignment includes the City's representation that it received no monetary consideration for the assignment and its consent to the Authority's allocation of all or any portion of the assigned amount to a project with a carryforward purpose.

Very truly yours,

A handwritten signature in black ink, appearing to read "Charles L. Borgman", written over a horizontal line.

Charles L. Borgman
General Counsel

cc: Jodi Romero, City of Grand Junction (Via Mail) ✓
Stanley M. Raine, Esq., Sherman & Howard, L.L.C. (Via E-mail)

Enclosures

348 Main Street
Grand Junction, CO 81501
970.241.2341

800.877.8450
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ASSIGNMENT OF ALLOCATION
(Single Family Mortgage Revenue Bonds)

This Assignment of Allocation (the "Assignment"), dated this 1st day of September, 2010, is between the City of Grand Junction, Colorado (the "Assignor") and the Colorado Housing and Finance Authority (the "Assignee").

WITNESSETH:

WHEREAS, the Assignor and the Assignee are authorized and empowered under the laws of the State of Colorado (the "State") to issue revenue bonds for the purpose of providing single-family mortgage loans to low- and moderate-income persons and families; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), restricts the amount of tax-exempt bonds ("Private Activity Bonds") which may be issued in the State to provide such mortgage loans and for certain other purposes (the "State Ceiling"); and

WHEREAS, pursuant to the Code, the Colorado legislature adopted the Colorado Private Activity Bond Ceiling Allocation Act, Part 17 of Article 32 of Title 24, Colorado Revised Statutes (the "Allocation Act"), providing for the allocation of the State Ceiling among the Assignee and other governmental units in the State, and further providing for the assignment of allocations from such other governmental units to the Assignee; and

WHEREAS, pursuant to an allocation under Section 24-32-1706 of the Allocation Act, the Assignor has an allocation of the 2010 State Ceiling for the issuance of a specified principal amount of Private Activity Bonds prior to **September 15, 2010**, the "Allocation"); and

WHEREAS, the Assignor has determined that, in order to increase the availability of adequate affordable housing for low- and moderate-income persons and families within the City of Grand Junction and elsewhere in the State, it is necessary or desirable to provide for the utilization of all or a portion of the Allocation; and

WHEREAS, the Assignor has determined that the 2010 Allocation, or a portion thereof, can be utilized most efficiently by assigning it to the Assignee to issue Private Activity Bonds for the purpose of providing single-family mortgage loans to low- and moderate-income persons and families ("Revenue Bonds"), and the Assignee has expressed its willingness to attempt to issue Revenue Bonds with respect to the 2010 Allocation; and

WHEREAS, per Resolution No. 72-09, the City Council of the Assignor has determined to assign to the Assignee \$2,483,505 of its 2010 Allocation, and the Assignee has agreed to accept such assignment, which is to be evidenced by this Assignment.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth, the parties hereto agree as follows:

1. The Assignor hereby assigns to the Assignee \$2,483,505 of its 2010 Allocation, subject to the terms and conditions contained herein. The Assignor represents that it has received no monetary consideration for said assignment.

2. The Assignee hereby accepts the assignment to it by the Assignor of \$2,483,505 of Assignor's 2010 Allocation, subject to the terms and conditions contained herein. The Assignee agrees to use its best efforts to issue and sell Revenue Bonds, in one or more series, and to make proceeds of such Revenue Bonds available from time to time during the period of two (2) years from the date of this Assignment for the purchase of mortgage loans in at least the aggregate amount of \$2,483,505 to finance single-family housing facilities located in the City of Grand Junction. Unless otherwise agreed to in writing, the mortgage loans will be subject to all applicable current requirements of Assignee's mortgage revenue bond program, including Assignee's income and purchase price limits.

3. The Assignor hereby consents to the election by the Assignee, if the Assignee in its discretion so decides, to treat all or any portion of the assignment set forth herein as an allocation for a project with a carryforward purpose.

4. The Assignor and Assignee each agree that it will take such further action and adopt such further proceedings as may be required to implement the terms of this Assignment.

5. Nothing contained in this Assignment shall obligate the Assignee to finance mortgage loans in any particular amount or at any particular interest rate or to use any particular percentage of the proceeds of its Revenue Bonds to provide mortgage loans to finance single-family housing facilities located in the City of Grand Junction.

6. This Assignment is effective upon execution and is irrevocable.

IN WITNESS WHEREOF, the parties hereto have duly executed this Assignment on the date first written above.

CITY OF GRAND JUNCTION

[S E A L]



ATTEST:

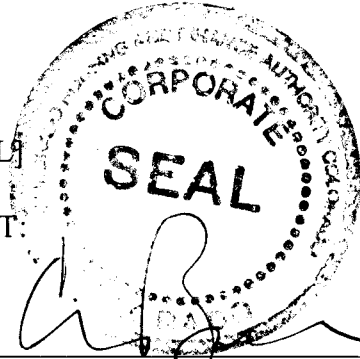
Stephanie Tur
City Clerk

By:

Laurie M. Kadrach
Laurie M. Kadrach, City Manager

**COLORADO HOUSING AND FINANCE
AUTHORITY**

[S E A L]



ATTEST:

By:

[Signature]
Assistant Secretary

By:

[Signature]
Chief Financial Officer