

ORDINANCE NO. 1815

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF CITY OF GRAND JUNCTION, COUNTY OF MESA, STATE OF COLORADO, ECONOMIC DEVELOPMENT REVENUE BONDS (COLUMBINE VILLAGE PROJECT) SERIES 1979, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000 FOR THE PURPOSE OF LOANING FUNDS TO COLUMBINE VILLAGE FOR THE ACQUISITION OF A NURSING HOME AND THE CONSTRUCTION OF A LIFE CARE CENTER ADDITION TO THE NURSING HOME IN GRAND JUNCTION, COLORADO; APPROVING AND AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT BETWEEN COLUMBINE VILLAGE AND THE CITY AND A MORTGAGE AND INDENTURE OF TRUST AMONG COLUMBINE VILLAGE, THE CITY AND A TRUSTEE, BOTH RELATING TO SAID PROJECT; AND AUTHORIZING THE PREPARATION OF CERTAIN RELATED DOCUMENTS AND INSTRUMENTS.

WHEREAS, the City of Grand Junction, Colorado (the "City"), desires to promote and stimulate the provision of more adequate nursing home care and residential housing facilities for elderly low- and middle-income families and persons within the City; and

WHEREAS, pursuant to the provisions of Article 3 of Title 29, Colorado Revised Statutes 1973, as amended (the "Act"), the City is authorized to issue economic development revenue bonds and to loan all or substantially all of the proceeds therefrom to a private organization such as Columbine Village (the "Company") to finance or aid in financing facilities which constitute a "project" under the Act; and

WHEREAS, the Company, a Colorado nonprofit corporation, desires to acquire a nursing home facility and construct a life care center in Grand Junction, Colorado, which provide nursing care, life care and residential housing facilities for elderly low- and middle-income families and persons (collectively, the "Project") constituting a project under the Act; and

WHEREAS, the Company desires to obtain the funds for the aforesaid purposes by borrowing funds from the City and promising to repay to the City a principal amount not to exceed \$7,000,000 pursuant to a Loan Agreement dated as of May 1, 1979 (the "Loan Agreement") by and between the City and the Company; and

WHEREAS, the City Council of the City gave preliminary approval to the Company's proposal by resolution duly adopted on March 21, 1979; and

WHEREAS, it is hereby found and determined that the City will issue its Economic Development Revenue Bonds (Columbine Village Project) Series 1979 (the "Series 1979 Bonds") in a principal amount not to exceed \$7,000,000 pursuant to a Mortgage and Trust Indenture dated as of May 1, 1979 (the "Indenture") by and between the City, the Company and a trustee (the "Trustee") to be designated, and that the proceeds therefrom will be used in accordance with the provisions of the Loan Agreement and the Indenture; and

WHEREAS, it is hereby found and determined that loaning all or substantially all of the proceeds from the sale of the Series 1979 Bonds to the Company to finance the acquisition of the nursing home facility presently known as La Villa Grande and construction of a life care center addition to the nursing home in the City will promote the public health, welfare, safety, convenience and prosperity of the City and its inhabitants by promoting and stimulating more adequate nursing home care and residential housing facilities for elderly low- and middle income families and persons within the City; and

WHEREAS, It is necessary to provide for the issuance and sale of the Series 1979 Bonds and to authorize the execution and preparation of all documents, instruments and acts necessary in connection therewith; and

WHEREAS, by supplemental resolution the City will consider and approve the final details of the Series 1979 Bonds, and will approve and authorize the execution and delivery of certain documents, instruments and acts in connection therewith;

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

Section 1. Finding and Determination. The City Council of the City of Grand Junction, Colorado, hereby finds and determines pursuant to Section 103(10) (d) of the Act, that the families and persons who intend to reside in the residential, life care addition to be constructed near the nursing home to be acquired by the Company in the City lack the financial ability to pay prices or rentals sufficient to induce private enterprise to build and maintain a sufficient supply of substantially similar, adequate, safe and sanitary dwellings in the City without the issuance of the Series 1979 Bonds.

Section 2. Approval of and Authorization for Issuance of the Series 1979 Bonds. the issuance of the City's Economic Development Revenue Bonds (Columbine Village Project) Series 1979, to be dated May 1, 1979, in a principal amount not to exceed \$7,000,000 with a maximum net effective interest rate to be determined at a future date and approved by a supplemental resolution to be adopted by the City Council, in substantially the form and with substantially the content set forth in the Indenture, is in all respects approved, authorized and confirmed, and the President of the City Council and the City Clerk are hereby authorized and directed to execute and seal the Series 1979 Bonds in the manner provided in the Indenture and to deliver them to the purchaser hereinafter designated for and on behalf of the City, and upon receipt of the purchase price to deposit the proceeds thereof with the Trustee in the manner provided by the Indenture. The Series 1979 Bonds shall be issuable as provided in the Indenture and the Supplemental Resolution. The Series 1979 Bonds shall mature at such times not exceeding 25 years from date of issuance, shall bear interest at

the rates, be payable at the place and be subject to the terms of redemption set forth in the Indenture and as shall be finally approved and provided in a supplemental resolution of the City Council. The Series 1979 Bonds shall never constitute an indebtedness of the City within the meaning of any provision or limitation of the Colorado Constitution or statutes, and shall not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers. The Series 1979 Bonds are not general obligations, but are special, limited obligations of the City, payable solely out of the revenues derived from the promissory note issued under the Loan Agreement and pledged and assigned for their payment in accordance with the Indenture (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Series 1979 Bonds or to income from the temporary investment of those proceeds).

Section 3. Authorization of the Sale of the Series 1979 Bonds. The sale of the Series 1979 bonds to the Purchaser to be named in the supplemental resolution at a price specified in the Bond Purchase Agreement to be entered into by the City and the Purchaser, is hereby approved, authorized and confirmed. The President of the City Council and City Clerk are authorized and directed to deliver the Series 1979 Bonds to the order of the Purchaser upon payment of the purchase price pursuant to the Indenture.

Section 4. Approval and Authorization of Loan Agreement. The Loan Agreement dated as of May 1, 1979, between the Company as Borrower and the City as Lender, in substantially the same form as attached hereto as Exhibit A, is in all respects approved, authorized and confirmed and the President of the City Council and the City Clerk are authorized and directed to execute and deliver the Loan Agreement in substantially the form and with substantially the same content as exhibit A for and on behalf of the City.

Section 5. Approval and Authorization of Mortgage and Indenture of Trust. The Mortgage and Indenture of Trust dated as of May 1, 1979, among the Company, the City and the Trustee, in substantially the same form as attached hereto as Exhibit B, is in all respects approved, authorized and confirmed and the President of the City Council and the City Clerk are authorized and directed to execute and deliver the Indenture in substantially the form and with substantially the same content as Exhibit B for and on behalf of the City.

Section 6. Preparation of Documents. In order to facilitate the issuance of the Series 1979 Bonds, there are currently being prepared the Bond Purchase Agreement, a Preliminary Official Statement and a final Official Statement, the execution, delivery and use of which documents are subject to subsequent ratification and approval by the City Council by supplemental resolution.

Section 7. Authority to Correct Errors, Etc. The President of the City Council and City Clerk are hereby authorized and directed to make or agree to any alterations, changes or additions in the

instruments hereby approved as the President of the City Council and the City Attorney deem necessary or proper to accomplish the purposes of this Ordinance and any supplemental resolution; provided, however, no alteration, change or addition shall be made which shall alter, following the establishment thereof in this Ordinance or in a supplemental resolution, the maximum net effective interest rate, denomination, date, maturities, form, interest rates, registration privileges, manner of execution, places of payment or terms of redemption of the Series 1979 Bonds or which shall increase the aggregate principal amount of Series 1979 Bonds authorized or in any way give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers with respect to the Series 1979 Bonds.

Section 8. Severability. If any provision of this Ordinance shall be held invalid, the invalidity of such provision shall not affect any of the other provisions of this Ordinance.

Section 9. Further Authority. The President of the City Council and City Clerk and other proper city officials, and each of them, are hereby authorized to execute and deliver for and on behalf of the City any and all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters herein authorized.

First Reading and Approval: April 18, 1979

Second Reading and Approval: May 2, 1979

Karl M. Johnson

President of the Council

Attest:

Neva B. Lockhart, CMC

City Clerk

I HEREBY CERTIFY that the foregoing ordinance, being Ordinance No. 1815, 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 18th day of April, 1979, 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 May, 1979.

Neva B. Lockhart, CMC

Neva B. Lockhart

City Clerk

Published: April 20, 1979

Published: May 4, 1979

Effective: June 4, 1979