

ORDINANCE NO. 2107

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF \$1,500,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF GRAND JUNCTION, COLORADO, INDUSTRIAL DEVELOPMENT REVENUE BONDS (CERTIFICATE OF DEPOSIT PROGRAM) FIRST SECURITY SAVINGS AND LOAN ASSOCIATION--1983 SERIES A, TO FINANCE PROPERTY SUITABLE FOR COMMERCIAL OR BUSINESS ENTERPRISES; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN; AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF A DEPOSIT AGREEMENT, TRUST INDENTURE, BOND PURCHASE AGREEMENT, INDUCEMENT LETTER, SAID BONDS AND CLOSING DOCUMENTS IN CONNECTION THEREWITH; AND REPEALING ACTION HERETOFORE TAKEN IN CONFLICT HERewith.

WHEREAS, the City of Grand Junction, Colorado (the "Insurer") is a legally and regularly created, established municipal corporation organized and existing under the provisions of the Constitution and laws of the State of Colorado (the "State"); and

WHEREAS, the legislature of the State of Colorado, in the County and Municipal Development Bond Act, Title 29, Article 3, Colorado Revised Statutes 1973, as amended (the "Act"), has found and declared it to be a public purpose for municipalities to promote industry and develop trade or other economic activity by, among other things inducing profit or nonprofit corporations and commercial or business enterprises to locate, expand or remain in the State, mitigate the serious threat of extensive unemployment in parts of the State, secure and maintain a balanced and stable economy in all parts of the State; and

WHEREAS, in furtherance of the foregoing purposes, the legislature of the State has authorized municipalities such as the Issuer to issue revenue bonds under the Act for the purposes of defraying the costs of financing, acquiring, improving and equipping any "projects," including any land, building or other improvement in all real or personal properties, whether or not in existence, suitable or used for or in connection with commercial enterprises and other purposes set forth in the Act; and

WHEREAS, First Security Savings and Loan Association, a savings and loan association duly organized and existing under the laws of the State (the "Association"), proposes to acquire, construct, equip, operate and maintain a business office facility (the "Project") which will consist of acquiring, constructing, improving and equipping a "project" within the meaning of and as defined in the Act; and

WHEREAS, the Association desires to locate its office facility within the Project, which is to be constructed within the boundaries of the Issuer, in order to provide lending and financial services to the area of the Issuer; and

WHEREAS, the Association has presented to the Issuer a proposal whereby the Issuer will, pursuant to the Act, issue the revenue bonds hereinafter described and deposit the proceeds therefrom

with the Association, in consideration of its certificate of deposit as hereinafter set forth, in order to allow the Association to finance the acquisition, construction and improving of the Project; and

WHEREAS, the City Council of the Issuer has heretofore acting to declare its intention, on August 19, 1981, August 4, 1982 and January 19, 1983, to cause such revenue bonds to be issued for such purposes on or prior to May 20, 1983 and in an amount not in excess of \$1,500,000; and

WHEREAS, the "City of Grand Junction, Colorado, Industrial Development Revenue Bonds (Certificate of Deposit Program), First Security Savings and Loan Association--1983 Series A," in the aggregate principal amount of \$1,500,000 (the "Bonds") will be issued, sold and delivered by the Issuer to George K. Baum & Company, of Denver, Colorado (the "Original Purchaser") pursuant to the Bond Purchase Agreement herein authorized and approved, the provide funds to make a deposit with the Association in the amount of \$1,500,000 (the "Deposit"), to be evidenced by a Certificate of Deposit (the "Certificate") of the Association, which Deposit is required to be used by the Association, for the purpose of financing the Project; and

WHEREAS, there have been presented to the City Council of the Issuer: (a) a proposed form of Deposit Agreement to be dated as of April 1, 1983 (the "Deposit Agreement"), among the Issuer, the Association and Central Bank & Trust Company of Denver, d/b/a/ Central Bank of Denver (the "Trustee"), including the form of the Certificate attached thereto as an exhibit, (b) a proposed form of Indenture of Trust to be dated as of April 1, 1983 (the "Indenture"), between the Issuer and the Trustee, (c) a proposed form of Bond Purchase Agreement, dated March 2, 1983 (the "Bond Purchase Agreement"), between the Issuer and the Original Purchaser, (d) a proposed form of Inducement Letter dated March 2, 1983 (the "Inducement Letter"), among the Association, the Issuer and the Original Purchaser, (e) the Preliminary Official Statement dated February 24, 1983 (the "Preliminary Official Statement") and (f) a proposed form of final Official Statement (the "Final Official Statement") dated March 2, 1983.

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

Section 1. All action (not inconsistent with the provisions of this Ordinance) heretofore taken by the City Council and the efforts of the Issuer directed toward financing the Project through the making of the Deposit with the Association and the issuance and sale of the Bonds therefore hereby are ratified, approved and confirmed. The distribution and use of the Preliminary Official Statement and the proposed distribution and use of the Final Official Statement in connection with the sale of the Bonds is hereby authorized and approved on behalf of the Issuer.

Section 2. The Issuer shall finance the Project by making the Deposit of the proceeds of the Bonds with the Association, upon receipt of the Certificate by the Issuer from the Association in the aggregate principal amount of \$1,500,000. The Certificate and the Agreement (with certain exceptions set forth in the Indenture) shall be pledged by the Issuer to the Trustee under the Indenture for the purpose of securing payment of the principal of, premium, if any, and interest on the Bonds.

Section 3. To defray the cost of financing the Project through the making of the Deposit with the Association, there is hereby authorized and created an issue of revenue bonds designated as the "City of Grand Junction, Colorado, Industrial Development Revenue Bonds (Certificate of Deposit Program) First Security Savings and Loan Association--1983 Series A," in the aggregate principal amount of \$1,500,000, to be dated as of April 1, 1983. The Bonds shall bear interest from April 1, 1983, payable semiannually on October 1, 1983 and on each April 1 and October 1 thereafter until maturity or prior redemption, at the rate per annum and the Bonds shall mature on the dates and in the amounts set forth in the table below:

<u>Maturity Date (April 1)Principal AmountInterest Rate (Per Annum)</u>		
1993\$1,500,0008.5%		

The Bonds shall be subject to redemption as set forth in the Indenture, and shall be issuable solely as fully registered bonds, all in accordance with the provisions of the Indenture.

The Bonds shall be in substantially the form provided for in the Indenture. The Bonds shall be sold to the Original Purchaser at a private sale for a purchase price equal to 100% of the principal amount of the Bonds plus accrued interest to the date of delivery, all in accordance with the Bond Purchase Agreement. The costs and expenses incurred in connection with the issuance of the Bonds, including compensation to the Original Purchaser, shall be paid by the Association in the manner and from the source set forth in the Bond Purchase Agreement.

Section 4. The following determinations and findings are hereby made in accordance with the Act:

(a) The Issuer is authorized by the Act to enter into the Deposit Agreement for the public purposes expressed in the Act, to assign its interest therein and in the Certificate to the Trustee pursuant to the Indenture and to make the Deposit with the Association;

(b) The Issuer has made the necessary arrangements with the Association for the establishment within the Issuer's boundaries of the Project, consisting of certain property more fully described in the Deposit Agreement, which will be of a character described in, and will accomplish certain public purposes contemplated by, the Act;

(c) The Bonds and the interest accruing thereon shall never constitute the debt of indebtedness of the Issuer within the meaning of any provision or limitation of the Constitution or statutes of the State, and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers; and

(d) The amount necessary in each year to pay the principal of and the interest on the Bonds is as set forth in Exhibit A attached hereto and incorporated herein by reference, and the Deposit Agreement requires such payments to be made by the Association; there is to be a reserve fund established for the retirement of the Bonds and the Indenture provides for the funding of such reserve fund; and since the Deposit Agreement provides that the Association shall maintain the Project and carry certain insurance with respect thereto, no determination of the estimated cost of maintaining the Project need be made.

Section 5. The forms, terms and provisions of the Inducement Letter, the Deposit Agreement, the Indenture, the Certificate and the Bond Purchase Agreement be, and they hereby are, approved and the Issuer shall enter into the Inducement Letter, the Deposit Agreement, the Indenture and the Bond Purchase Agreement substantially in the forms of each of such documents presented at this meeting but with such minor changes therein as are consistent herewith and as the officers of the Issuer executing such documents shall approve, their execution thereof being deemed conclusive of their approval of any such changes; and the Mayor of the Issuer is hereby authorized and directed to execute and deliver such documents and the City Clerk is hereby authorized and directed to affix the seal of the Issuer to, and to attest, such documents in substantially the forms of each of such documents presented at this meeting.

Section 6. The form, terms and provisions of the Bonds, in substantially the form contained in the Indenture, be and they hereby are, approved; and the Mayor is hereby authorized and directed to cause his facsimile signature to be affixed to the Bonds; the City Clerk is hereby authorized and directed to attest the Bonds with his manual signature, and each is authorized to deliver the Bonds in the form contained in the Indenture but with

such minor changes therein as are consistent with the Indenture and this Ordinance and as the officers of the Issuer executing the Bonds shall approve, their execution thereof being deemed conclusive of their approval of any such changes. The seal of the Issuer is hereby authorized and directed to be affixed to or imprinted on the Bonds.

Section 7. The Mayor of the Issuer is hereby authorized to approve the appointment of Central Bank & Trust Company of Denver, d/b/a Central Bank of Denver, a state banking association with its principal office located at Denver, Colorado, as Trustee and paying agent, the execution of the Indenture by the Issuer being conclusive evidence of the approval of the Trustee.

Section 8. The officers of the Issuer shall take all action which they deem necessary or reasonably required in conformity with the Act to make the Deposit with the Association in order to finance the construction and improvement of the Project which is hereby authorized, and for carrying out, giving effect to and consummating the transactions contemplated by this Ordinance, the Inducement Letter, the Deposit Agreement, the Indenture, the Deposit, the Certificate and the Bond Purchase Agreement, including without limitation the execution and delivery of any closing documents to be delivered in connection with the sale and delivery of the Bonds.

Section 9. The cost of financing the Project, including the paying of incidental issuance expenses, will be paid out of the proceeds of the Deposit. The Deposit will be made with the proceeds of the Bonds. The Bonds together with interest payable thereon are special, limited obligations of the Issuer payable solely as provided in the Indenture. The Bonds or interest payable thereon shall never constitute the debt or indebtedness of the Issuer, the State or any political subdivision thereof within the meaning of any provision on limitation of the Constitution or statutes of the State, nor shall anything contained in this Ordinance or in the Inducement Letter, the Bonds, the Deposit Agreement, the Certificate, the Indenture, the Bond Purchase Agreement or any other instrument constitute or give rise to a pecuniary liability of, or a charge against the general credit or taxing power of, the Issuer, nor shall be breach of any agreement contained in this Ordinance, or any of the above-mentioned documents or instruments, impose any pecuniary liability upon the Issuer, the Issuer having no power to pay out of its general fund or otherwise contribute any part of the costs of making the Deposit or of financing the Project, nor shall the issuer condemn any land or other property for the Project nor contribute any land or other property to the Project.

Section 10. After any of the Bonds are issued, this Ordinance shall be and remain irrevocable until the Bonds and interest thereon shall have been fully paid, cancelled and discharged.

Section 11. If any section, paragraph, clause or provision of this

Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 12. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith and with the documents hereby approved are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance, or part thereof.

Section 13. A public hearing on this Ordinance shall be held at the City Hall in Grand Junction, Colorado on March 2, 1983 at which time all interested parties may express their views on this Ordinance. Copies of all of the documents and instruments referred to herein shall be kept on file in the offices of the City Clerk and shall be available for inspection by the general public.

Section 14. This Ordinance shall be effective 30 days after the final publication hereof as required by law.

The above and foregoing Ordinance No. 2107, having been approved on first reading on February 2, 1983, published in full on February 6, 1983, was, on motion duly made and seconded, finally adopted on the 2nd day of March, 1983 and ordered published in full a second time on March 4, 1983, having been amended on final reading.

CITY OF GRAND JUNCTION, COLORADO

Louis R. Brach

President of the Council

Attest:

Neva B. Lockhart, CMC

City Clerk

I HEREBY CERTIFY that the foregoing ordinance, being Ordinance No. 2017, 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 2nd day of February, 1983, 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 March, 1983.

Neva B. Lockhart

Neva B. Lockhart, CMC

City Clerk

Published: February 6, 1983

Final Publication: March 4, 1983

Effective: April 3, 1983