

ORDINANCE NO. 2155

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF \$7,000.000 CITY OF GRAND JUNCTION, COLORADO INDUSTRIAL DEVELOPMENT REVENUE BONDS (FIRST NATIONAL BANK IN GRAND JUNCTION PROJECT) SERIES 1983 TO FINANCE A PROJECT FOR FIRST NATIONAL BANK IN GRAND JUNCTION; RATIFYING CERTAIN ACTION HERETOFORE TAKEN; AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF A MORTGAGE AND LOAN AGREEMENT, AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, CLOSING DOCUMENTS AND SUCH BONDS IN CONNECTION THEREWITH; MAKING DETERMINATIONS AS TO THE SUFFICIENCY OF REVENUES AND AS TO OTHER MATTERS RELATED TO THE PROJECT; AND REPEALING ACTION HERETOFORE TAKEN IN CONFLICT HEREWITH.

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

WHEREAS, the Colorado County and Municipality Development Revenue Bond Act, constituting Sections 29-3-101 through 29-3-123, inclusive, Colorado Revised Statutes 1973, as amended (the "Act"), authorizes municipalities to finance one or more projects to promote industry and develop trade or other economic activity by inducing manufacturing, industrial, commercial or business enterprises to locate, expand or remain in the State of Colorado, to mitigate the serious threat of extensive unemployment in parts of the State of Colorado, to secure and maintain a balanced and stable economy in all parts of the State of Colorado or to further the use of its agricultural products or natural resources; and

WHEREAS, such municipalities are further authorized by the Act to issue revenue bonds for the purpose of defraying the cost of financing any project and all incidental expenses incurred in issuing such bonds, and to secure payment of such bonds as provided in the Act; and

WHEREAS, First National Bank in Grand Junction, a national banking association (the "Company"), and a wholly-owned subsidiary of Central Bancorporation, Inc. (the "Guarantor"), has presented to the City a proposal whereby the City will, pursuant to the Act, finance a project consisting of a parcel of land, a building and certain equipment (the "Project") to be owned by the Company and operated by the Company as its primary banking facility, which Project will be located within the City and qualifies as a "project" within the meaning of the Act; and

WHEREAS, the City will issue, sell and deliver its City of Grand Junction, Colorado, Industrial Development Revenue Bonds (First National Bank in Grand Junction Project) Series 1983 in the aggregate principal amount of \$7,000,000 (the "Bonds") to E. F. Hutton & Company, Inc. (the "Underwriter") to pay the cost of financing the Project, including certain incidental costs incurred

in connection with the issuance of the Bonds; and

WHEREAS, concurrently with the issuance of the Bonds, the Company will enter into a mortgage and loan agreement with the City providing for payments sufficient to pay the principal of, premium, if any, and interest on the Bonds and to meet other obligations as herein and therein provided; and

WHEREAS, on June 1, 1983, the City Council adopted a resolution whereby the City agreed to authorize the issuance and sale of the Bonds, it being understood that no costs of issuance and sale were to be borne by the City and that the necessary financing documents were subject to formal approval by ordinance of the City Council pursuant to the Act; and

WHEREAS, there have been presented to the City Council (i) the proposed form of Mortgage and Loan Agreement dated as of November 1, 1983 (the "Agreement") between the City and the Company, (ii) the proposed form of Indenture of Trust dated as of November 1, 1983 (the "Indenture") between the City and The Colorado National Bank of Denver, as Trustee (the "Trustee"), (iii) the proposed form of Guaranty Agreement dated as of November 1, 1983 (the "Guaranty Agreement") between the Guarantor and the Trustee, and (iv) the proposed form of Bond Purchase Agreement dated as of November 1, 1983 (the "Bond Purchase Agreement") among the City, the Bank, the Guarantor and the Underwriter.

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

Section 1. All action (not inconsistent with the provisions of this ordinance) heretofore taken by the City Council and the officers of the City directed toward the financing of the Project and the issuance and sale of the Bonds therefor be, and the same is hereby, ratified, approved and confirmed.

Section 2. The City shall finance the Project by loaning the proceeds of the Bonds to the Company in accordance with the provisions of the Agreement for the purposes described above.

Section 3. To defray the cost of financing the Project, including incidental issuing expenses, there is hereby authorized and created an issue of industrial development revenue bonds designated "City of Grand Junction, Colorado, Industrial Development Revenue Bonds (First National Bank in Grand Junction Project) Series 1983" in the aggregate principal amount of \$7,000,000, issuable as fully registered bonds without coupons (except as otherwise provided in the Indenture), in the denominations of \$5,000 and any integral multiple thereof, dated as provided in the Indenture and bearing interest from such date payable semi-annually on May 1 and November 1 of each year. The Bonds shall bear interest at the rates per annum and shall mature on the dates and in the principal amounts as follows:

<u>Dates Maturing</u> <u>Amounts</u> <u>Maturing</u> <u>Interest Rates</u>		
May 1, 1988\$ 95,0008.50%		
November 1, 1988100,0008.50%		
May 1, 1989105,0008.75%		
November 1, 1989110,0008.75%		
May 1, 1990115,0009.00%		
November 1, 1990120,0009.00%		
May 1, 1991125,0009.25%		
November 1, 1991130,0009.25%		
May 1, 1992135,0009.50%		
November 1, 1992140,0009.50%		
May 1, 1992140,0009.50%		
November 1, 1993150,0009.70%		
November 1, 19982,065,00010.25%		
November 1,		

20033,455,00010.75%		
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The Bonds shall be payable, shall be subject to redemption prior to maturity and shall be in substantially the form as provided in the Indenture. The Bonds shall be sold to the Underwriter at a purchase price equal to 100% of the principal amount of the Bonds plus accrued interest from November 1, 1983 to the date of payment and delivery. The Bonds shall bear supplemental coupons which will be delivered to the Underwriter as part of its compensation. The maximum net effective interest rate on the Bonds, taking into account the compensation of the Underwriter, is 11.031% which rate is hereby determined to be the maximum net effective interest rate on the Bonds.

Section 4. The following determinations and findings are hereby made in accordance with Sections 29-3-113, 29-3-114 and 29-3-120 of the Act;

(a) The amount necessary in each year to pay the principal of an interest on the Bonds is as follows:

<u>Annual Period to and Including November 1</u> <u>Interest for such Period</u> <u>Principal to be Retired in such Period</u> <u>Annual Debt Service Requirement</u>			
1984 718,910.00\$ 0718,910.00			
1985 718,910.0007 18,910.00			
1986 718,910.0007 18,910.00			
1987 718,910.0007 18,910.00			

1988714,872.5019 5,000909,872.50			
1989697,741.2521 5,000912,741.25			
1990678,347.5023 5,000913,347.50			
1991656,591.2525 5,000911,591.25			
1992632,372.5027 5,000907,372.50			
1993605,385.0060 5,000910,385.00			
1994574,618.7533 5,000909,618.75			
1995539,512.5037 0,000909,512.50			
1996500,592.5074 0,000910,562.50			
1997457,512.5045 0,000907,512.50			
1998410,106.2550 0,000910,106.25			
1999356,900.0055 5,000911,900.00			
2000295,625.0061 5,000910,625.00			
2001227,631.2568			

5,000912,631.25			
2002152,112.5076 0,000912,112.50			
200368,262.50840 ,000908,262.50			

(b) No reserve fund has been established nor is proposed to be established for the Bonds or the Project and accordingly it will not be necessary to pay amounts into any reserve fund.

(c) The terms under which the Project is to be financed provide that the Company shall maintain the Project and carry all proper insurance with respect thereto.

(d) The revenues payable under the Agreement are sufficient to pay, in addition to all other requirements of the Agreement and this ordinance, all sums referred to in paragraphs (a) and (c) of this Section.

(e) The revenues payable under the Agreement are sufficient to pay, in addition to all other requirements of the Agreement and this ordinance, all taxes payable pursuant to Section 29-3-120 of the Act.

Section 5. The form, terms and provisions of the Agreement be and they hereby are approved and the City shall enter into the Agreement in the form of such document presented to the City Council at this meeting, with such changes therein as are not inconsistent herewith; and the President of the City Council is hereby authorized and directed to execute and deliver the Agreement and the City Clerk is hereby authorized and directed to affix the City seal to and to attest the Agreement.

Section 6. The form, terms and provisions of the Indenture be and they hereby are approved and the City shall enter into the Indenture in the form of such document presented to the City Council at this meeting, with such changes therein as are not inconsistent herewith; and the President of the City Council is hereby authorized and directed to execute and deliver the Indenture and the City Clerk is hereby authorized and directed to affix the City seal to and to attest the Indenture.

Section 7. The form, terms and provisions of the Bond Purchase Agreement be and they hereby are approved and the City shall enter into the Bond Purchase Agreement in the form of such document presented to the City Council at this meeting, with such changes therein as are not inconsistent herewith; and the President of the City Council is hereby authorized and directed to execute and

deliver the Bond Purchase Agreement.

Section 8. The form, terms and provisions of the Bonds and the coupons appertaining thereto, in the forms contained in the Indenture, be and they hereby are approved, with such changes therein as are not inconsistent herewith; and the President of the City Council is hereby authorized and directed to execute the Bonds and the coupons appertaining thereto and the City Clerk is hereby authorized and directed to attest manually the Bonds. The seal of the City is hereby authorized and directed to be affixed to the Bonds. The signature of the President of the City Council upon the Bonds and the coupons and the seal of the City to be affixed to the Bonds may be by facsimile.

Section 9. The officers of the City shall take all action in conformity with the Act necessary or reasonably required to effectuate the provisions of the Agreement, the Indenture, the Bond Purchase Agreement and the Bonds and shall take all action necessary or desirable in conformity with the Act to finance the Project, including incidental issuing expenses, and for carrying out, giving effect to and consummating the transactions contemplated by this ordinance and the Agreement, the Indenture, the Bond Purchase Agreement and the Bonds, including without limitation the execution and delivery of any documents to be filed with the Internal Revenue Service to have the provisions of Section 103(b)(6)(D) of the Internal Revenue Code of 1954, as amended, apply to the Bonds, the filing of any statements or reports with the Internal Revenue Service or with the Secretary of the Treasury or his delegate necessary to maintain the exemption of interest on the Bonds from Federal income taxation and the execution and delivery of any closing documents to be delivered in connection with the sale and delivery of the Bonds.

Section 10. For the purposes of Section 103(k) of the Internal Revenue Code of 1954, as amended, the City Council hereby approves the Bonds and the Project, including the following information regarding the Project: the Project consists of a parcel of land located at 422 White Avenue, Grand Junction, Colorado, within the City, a 53,000 square foot building to be constructed thereon and certain equipment listed in the Agreement to be installed therein.

Section 11. The cost of financing the Project, including incidental issuing expenses and the fees and expenses of the City, will be paid out of the proceeds of the Bonds or the coupons and neither the Bonds nor the coupons will be the general obligation of the City nor shall the Bonds, including interest thereon, or the coupons constitute the debt or indebtedness of the City within the meaning of the Constitution or statutes of the State of Colorado or of the home rule charter of the City, nor shall anything contained in this ordinance or in the bonds, the Agreement, the Indenture, the Bond Purchase Agreement, the Guaranty Agreement or any other instrument give rise to a pecuniary liability or a charge upon the general credit or taxing powers of the City, nor shall the breach of any agreement

contained in this ordinance, or any of the above-mentioned instruments impose any pecuniary liability upon the City or any charge upon its general credit or against its taxing powers, the City having no power to pay out of its general funds, or otherwise contribute any part of the cost of financing the Project, nor power to operate the Project as a business or in any manner, nor shall the City condemn any lands or other property for the Project nor contribute any land or other property to the Project. Nothing contained in this ordinance or in any of the above-mentioned instruments shall give rise to any personal or pecuniary liability of any officer, employee or agent of the City.

Section 12. After the Bonds are issued, this ordinance shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, cancelled and discharged.

Section 13. 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 14. All 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 resolution or ordinance, or part thereof.

Section 15. This ordinance, immediately on its final passage and adoption, shall be numbered and recorded in the Ordinance Record of the City kept for that purpose, authenticated by the signatures of the President of the City Council and City Clerk, and published in full in the Daily Sentinel, a daily newspaper published and of general circulation in the City at least ten days before its final passage.

INTRODUCED AND PASSED on first reading at a regular meeting of the City Council of the City of Grand Junction, Colorado, on the 16th day of November, 1983.

PASSED and ADOPTED this 30th day of November, 1983.

Frank M. Dunn

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Acting President of the Council

Attest:

Neva B. Lockhart, CMC

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City Clerk

I HEREBY CERTIFY that the foregoing ordinance, being Ordinance No. 2155, 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 16th day of November, 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 30th day of November, 1983.

Neva B. Lockhart

Neva B. Lockhart, CMC  
City Clerk

Published: November 18, 1983

Published: November 30, 1983

Effective: December 30, 1983