

ORDINANCE NO. 2338

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF \$2,450,000 HOSPITAL REVENUE BONDS (LINCOLN PARK OSTEOPATHIC HOSPITAL ASSOCIATION PROJECT) SERIES 1987 TO REFINANCE CERTAIN OBLIGATIONS INCURRED TO FINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF A HOSPITAL AND RELATED FACILITIES; RATIFYING CERTAIN ACTION HERETOFORE TAKEN; AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF AN INDENTURE OF TRUST, LOAN AGREEMENT, BOND PURCHASE AGREEMENT, CLOSING DOCUMENTS AND SUCH BONDS IN CONNECTION THEREWITH; APPROVING THE FORM OF A DEED OF TRUST; APPROVING THE USE OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF THE BONDS; MAKING CERTAIN DETERMINATIONS WITH RESPECT THERETO; REPEALING ACTION HERETOFORE TAKEN IN CONFLICT HEREWITH; AND DECLARING AN EMERGENCY.

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

WHEREAS, the City is authorized by the County and Municipality Development Revenue Bond Act, constituting Article 8 of Title 29 of the Colorado Revised Statutes (the "Act"), to finance one or more projects, including any land, building or other improvement, and all real and personal properties, whether or not in existence, to promote industry and develop trade or other economic activity by inducing business enterprises to locate, expand or remain in the State, to mitigate the serious threat of unemployment in parts of the State, to secure and maintain a balanced and stable economy in all parts of the State and to finance projects so that more adequate health care may be provided; and

WHEREAS, the Act authorizes the City: (i) to issue its revenue bonds for the purpose of defraying the cost of refinancing any obligations previously incurred to finance any project and all incidental expenses incurred in connection with the issuance of such bonds; (ii) to enter into financing agreements with others for the purpose of providing revenues to pay the bonds authorized to be issued under the Act and upon such terms and conditions as the City Council of the City may deem advisable; and (iii) to secure the payment of the principal of and interest on such bonds as provided in the Act; and

WHEREAS, the City has determined that it is advisable and in the best interests of the City to issue its Hospital Revenue Bonds (Lincoln Park Osteopathic Hospital Association Project) Series 1987, in the aggregate principal amount of \$2,450,000 (the "Bonds"), in order to provide refinancing for certain obligations incurred to finance the acquisition, construction, improvement and equipping of a hospital and related facilities (the "Project") which are located within the City at 2021 North 12th Street and are owned by Lincoln Park Osteopathic Hospital Association, d/b/a

Community Hospital Corporation, a Colorado not-for-profit corporation (the "Hospital"); and

WHEREAS, in order to provide such financing, the City will make a loan, from the proceeds of the Bonds, to the Hospital pursuant to a Loan Agreement dated May 14, 1987 (the "Loan Agreement") between the City and the Hospital, and the Hospital will operate and maintain the Project in accordance with the requirements of the Act; and

WHEREAS, the Bonds will be secured by: (i) a pledge of the Loan Agreement; (ii) a pledge of the revenues and receipts derived by the City pursuant to the Loan Agreement; and (iii) a Deed of Trust, Security agreement, Financing Statement and Assignment of Rents and Leases dated May 14, 1987 (the "Deed of Trust") from the Hospital to the Public Trustee of Mesa County, Colorado; and

WHEREAS, there have been presented to the City Council: (i) the proposed form of the Loan Agreement; (ii) the proposed form of the Indenture of Trust dated May 14, 1987 (the "Indenture") between the City and Central Bank of Denver, a banking corporation, as trustee ("the Trustee"); (iii) the proposed form of the Bond Purchase Agreement dated May 6, 1987 (the "Bond Purchase Agreement") among the City, the Hospital, and Boettcher and Hospital, Inc. (the "Underwriter"); and (iv) the proposed form of the Deed of Trust; and

WHEREAS, there has been presented to the City Council a Preliminary Official Statement (the "Preliminary Official Statement") and a form of final Official Statement (the "Official Statement") to be in substantially the form of the Preliminary Official Statement prepared for use in connection with the offering and sale of the bonds.

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

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 is hereby ratified, approved and confirmed.

Section 2. The City shall finance the cost of the Project, including a portion of the costs incidental to the authorization, issuance and sale of the Bonds in an aggregate principal amount not to exceed two percent (2%) of the aggregate principal amount of Bonds issued pursuant to this Ordinance, by loaning the proceeds of the Bonds to the Hospital in accordance with the terms of the Loan Agreement for the purposes described above.

Section 3. To defray the cost of such financing, there is hereby authorized and created an issue of revenue bonds designated as the "City of Grand Junction, Colorado Hospital Revenue Bonds (Lincoln

Park Osteopathic Hospital Association Project) Series 1987," in the aggregate principal amount of \$2,450,000. The Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 and any integral multiple thereof and are dated as provided in the Indenture.

The Bonds shall bear interest from their date until their respective maturities or prior redemption, at the rates hereinafter designated, all such interest being payable semiannually on April 1 and October 1 in each year, commencing on October 1, 1987, and the Bonds shall mature in the years and in the amounts, and shall bear interest as set forth below:

Maturity (April 1)	Principal Amounts Maturing	Interest Rates (Per Annum)
1988	\$25,000	6.000%
1989	25,000	6.500
1990	25,000	7.000
1991	30,000	7.500
1992	30,000	7.750
1993	30,000	8.000
1994	35,000	8.250
1995	35,000	8.375
1996	40,000	8.500
1997	40,000	8.600
2007	655,000	9.000
2017	1,480,000	10.500

The Bonds shall be payable, shall be subject to redemption and purchase prior to maturity and shall be in substantially the form as provided in the Indenture. Pursuant to the Bond Purchase Agreement, the Bonds shall be sold to the Underwriter at a purchase price equal to ninety-seven percent (97%) of the aggregate principal amount of the Bonds. The maximum net effective interest rate on the Bonds is 10.106941%, 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 maximum amount necessary in each year to pay the principal of and the interest on the Bonds is as follows:

Annual Period to and Including April 1	Maximum Interest for Such Period	Principal to be Retired in such Period	Annual Debt Service Requirement
1988	\$210,328.40	\$25,00	\$235,328.40
1989	237,358.76	25,000	262,358.76
1990	235,733.76	25,000	260,733.76
1991	233,983.76	30,000	263,983.76
1992	231,733.76	30,000	261,733.76
1993	229,408.76	30,000	259,408.76
1994	227,008.76	35,000	262,008.76
1995	224,121.26	35,000	259,121.26
1996	221,190.00	40,000	261,190.00
1997	217,790.00	40,000	257,790.00

1998	214,350.00	50,000	264,350.00
1999	209,850.00	50,000	259,850.00
2000	205,350.00	50,000	255,350.00
2001	200,850.00	60,000	260,850.00
2002	195,450.00	60,000	255,450.00
2003	190,050.00	70,000	260,050.00
2004	183,750.00	70,000	253,750.00
2005	177,450.00	75,000	252,450.00
2006	170,700.00	80,000	250,700.00
2007	163,500.00	90,000	253,500.00
2008	155,400.00	100,000	255,400.00
2009	144,900.00	110,000	254,900.00
2010	133,350.00	115,000	248,350.00
2011	121,275.00	125,000	246,275.00
2012	108,150.00	140,000	248,150.00
2013	93,450.00	150,000	243,450.00
2014	77,700.00	165,000	242,700.00
2015	60,375.00	175,000	235,375.00
2016	42,000.00	190,000	232,000.00

2017	22,050.00	210,000	232,050.00
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(b) The City Council has deemed it advisable to establish, on the date of issuance of the Bonds, a reserve fund for contingent use in connection with the retirement of the Bonds in the amount of \$227,000. Pursuant to the Loan Agreement, the Hospital is obligated to replenish such reserve fund if such revenue fund is depleted prior to the payment in full of the principal of, premium, if any, and interest on the Bonds.

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

(d) The revenues payable under the financing documents with respect to the Bonds and the Project are sufficient to pay, in addition to all other requirements of such financing documents and this Ordinance, all sums referred to in paragraphs (a), (b) and (c) of this Section.

(e) The revenues payable under the financing documents with respect to the Bonds and the Project are sufficient to pay, in addition to all other requirements of such financing documents and this Ordinance, all taxes payable pursuant to Section 29-3-120 of the Act.

Section 5. The forms, terms and provisions of the Indenture, the Loan Agreement, the Bond Purchase Agreement, and the Deed of Trust hereby are approved, and the City shall enter into the Indenture, the Loan Agreement and the Bond Purchase Agreement in the forms of such documents presented to the City Council, with such changes therein, if any, as are not inconsistent herewith, and the Mayor is hereby authorized and directed to execute and deliver the Indenture, the Loan Agreement and the Bond Purchase Agreement, and the City Clerk is hereby authorized and directed to affix the seal of the City to and to attest the Indenture and the Loan Agreement.

Section 6. The form, terms and provisions of the Bonds, in the form contained in the Indenture, hereby are approved, with such changes therein, if any, as are not inconsistent herewith, and the Mayor is hereby authorized and directed to execute the Bonds, and the City Clerk is hereby authorized and directed to affix the seal of the City to and to attest the Bonds, and each is authorized to deliver the Bonds. The signatures of the Mayor and the City Clerk on the Bonds and the seal of the City on the Bonds shall be manually affixed or by facsimile.

Section 7. The use and distribution of the Preliminary Official Statement is in all respects hereby ratified and confirmed. The Underwriter is authorized to prepare or cause to be prepared, and the Mayor is hereby authorized and directed to approve, on behalf

of the City, the Official Statement for use in connection with the offering and sale of the Bonds.

Section 8. The officers of the City shall take all action necessary or reasonably required to effectuate the provisions of the Bond Purchase Agreement and shall take all action necessary or desirable to finance the Project, and for carrying out, giving effect to and consummating the transactions contemplated by this Ordinance, the Indenture, the Loan Agreement and the Bond Purchase Agreement, including without limitation, 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 exclusion 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 9. The cost of financing the Project, including a portion of the costs incidental to the authorization, issuance and sale of the Bonds in an aggregate principal amount not to exceed two percent (2%) of the aggregate principal amount of Bonds issued pursuant to this Ordinance, shall be paid out of the proceeds of the Bonds, and none of the Bonds shall be the general obligation of the City nor shall any of the Bonds, including interest thereon, constitute the debt or indebtedness of the City within the meaning of the Constitution or statutes of the State or of the home rule charter of the City nor shall anything contained in this Ordinance or in the Bonds, the Indenture, the Loan Agreement, the Bond Purchase Agreement or any other instrument give rise to the pecuniary liability or a charge upon the general credit or taxing powers of the City, nor shall be 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 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 the 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. This Ordinance, immediately on its final passage, shall be numbered and recorded in the Ordinance Record of the City kept for that purpose, authenticated by the signatures of the Mayor and the City Clerk, and published as amended and completed in The Daily Sentinel, a newspaper published, printed and of general circulation in the City.

Section 14. Because the Project shall be economically beneficial to the City and its inhabitants and in order that the Bonds may be sold at the most advantageous price, an emergency is declared to exist, and this Ordinance is declared to be necessary for the preservation of the public peace, health and safety. This Ordinance shall be in full force and effect upon adoption by the unanimous vote of all members of the City Council.

INTRODUCED, READ, AND PASSED on first reading at a regular meeting of the City Council on April 1, 1987; ordered published in full in The Daily Sentinel and public hearing and consideration on final passage set for May 6, 1987, at 7:30 p.m. at the City/County Auditorium, 520 Rood Avenue, Grand Junction, Colorado.

By:

O.F. Ragsdale, President of the Council

I hereby certify and attest that the within and foregoing Ordinance was introduced, read and passed on first reading on the date hereinabove set forth; published in full in The Daily Sentinel on the 3rd day of April 1987; introduced, read, finally passed, and adopted by the City Council on the 6th day of May, 1987.

(SEAL)

ATTESTED AND CERTIFIED:

By:

Neva B. Lockhart, City Clerk

I HEREBY CERTIFY that the foregoing emergency ordinance, entitled AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF \$2,450,000 HOSPITAL REVENUE BONDS (LINCOLN PARK OSTEOPATHIC HOSPITAL ASSOCIATION PROJECT) SERIES 1987 TO REFINANCE CERTAIN OBLIGATIONS INCURRED TO FINANCE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT AND EQUIPPING OF A HOSPITAL AND RELATED FACILITIES; RATIFYING CERTAIN ACTION HERETOFORE TAKEN; AUTHORIZING THE EXECUTION AND DELIVERY BY THE CITY OF AN INDENTURE OF TRUST, LOAN AGREEMENT, BOND PURCHASE AGREEMENT, CLOSING DOCUMENTS AND SUCH BONDS IN CONNECTION THEREWITH; APPROVING THE FORM OF A DEED OF TRUST; APPROVING THE USE OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF THE BONDS; MAKING CERTAIN DETERMINATIONS WITH RESPECT

THERETO; REPEALING ACTION HERETOFORE TAKEN IN CONFLICT THEREWITH;
AND DECLARING AN EMERGENCY, was introduced, read, passed and
adopted as an emergency ordinance, numbered 2338, and ordered
published by the unanimous vote of the members of the City Council
of the City of Grand Junction at a regular meeting of said Council
held on the 6th day of May, 1987.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the
official Seal of said City this 7th day of May, 1987.

Neva B. Lockhart, CMC
City Clerk

Published: May 8, 1987