

**ORDINANCE NO. 17**  
Series 2001

November 20, 2001: Introduced as Council Bill 25 Series of 2001 by Doug Tisdale, Seconded by Bonnie Blum, and considered by the title only on first reading. Passed unanimously.

December 11, 2001: Considered in full text on second reading. Passed unanimously. Designated as Ordinance No. 17, Series 2001.

**A BILL FOR AN ORDINANCE OF THE CITY OF CHERRY HILLS VILLAGE, COLORADO, AUTHORIZING THE ISSUANCE OF CHERRY HILLS VILLAGE, COLORADO, REVENUE BONDS (COUNTY SHERIFFS OF COLORADO PROJECT) SERIES 2001 IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,700,000; AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT AND CLOSING AND RELATED DOCUMENTS IN CONNECTION WITH SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH BONDS; AND REPEALING ACTION HERETOFORE TAKEN IN CONFLICT HEREWITH.**

WHEREAS, the City of Cherry Hills Village, Arapahoe County, Colorado (the "City"), is a home rule municipality and political subdivision of the State of Colorado (the "State"), duly organized and operating under the Charter of the City (the "City Charter") and the constitution and laws of the State, is authorized by the provisions of the County and Municipality Development Revenue Bond Act, article 3, title 29, C.R.S. (the "Act"), and the Supplemental Public Securities Act, Part 2 of Article 57, Title 11, C.R.S., to finance land, buildings or other improvements and properties suitable or used for or in connection with commercial or business enterprises, and to refinance obligations previously incurred to finance such properties, all to the end that the City may be able to promote economic activity by inducing nonprofit corporations to locate, expand or remain in the State for the benefit of the inhabitants of the State and for the promotion of their health, safety, welfare, convenience and prosperity; and

WHEREAS, the Act further authorizes the City to issue revenue bonds for the purposes described above, including all incidental expenses incurred in issuing such bonds, to secure the payment of such bonds as provided in the Act, and to enter into financing agreements with others for the purpose of providing revenue to pay such bonds upon such terms and conditions as the City Council of the City may deem advisable; and

WHEREAS, County Sheriffs of Colorado, Inc. (the "Borrower"), a Colorado nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") has requested the City to issue the City of Cherry Hills Village, Colorado Revenue Bonds (County Sheriffs of Colorado Project) Series 2001 (the "Bonds"); and

WHEREAS, the Borrower intends to (i) refinance certain outstanding indebtedness related to its administration building located at 9008 N. US Highway 85, Littleton, Colorado 80125 (the "Building"); and (ii) pay certain costs of issuance of the Bonds (collectively, the "Project"); and

WHEREAS, the Building is located in an unincorporated section of Douglas County, Colorado (the "County"); and

WHEREAS, Section 29-3-104(2) of the Act permits the County to delegate, by resolution, the power to act on its behalf in the financing, refinancing, acquisition, leasing, ownership, improvement and disposal of certain projects described in the Act; and

WHEREAS, pursuant to a resolution, the County will delegate to the City the authority to act on its behalf with respect to the Project (the "County Resolution"); and

WHEREAS, the Bonds will be issued by the City and purchased in a private placement by Vectra Bank Colorado, an affiliate of Zions Bank (the "Bank") and the City intends to loan the proceeds thereof to the Borrower and the Borrower desires to borrow the proceeds of said revenue bonds upon the terms and conditions set forth in the Financing Agreement dated as of December 1, 2001 (the "Financing Agreement") between the City and the Borrower; and

WHEREAS, the Borrower will deliver the Financing Agreement, a Deed of Trust, a Promissory Note and an Assignment of Rents and Leases, all dated as of December 1, 2001, as security for the Bonds; and

WHEREAS, a public hearing will be held at the offices of the City Council of the City, located at 2450 E. Quincy, Cherry Hills Village, Colorado 80110 on December 11, 2001 at or about 6:30 p.m., pursuant to public notice, on the proposed issuance of the Bonds, all in accordance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, pursuant to and in accordance with the Act, the City, by written ordinance of the City Council of the City, and in furtherance of the purposes of the Act, proposes to undertake the financing of the Project; and

WHEREAS, the City Council of the City desires to authorize the execution of the necessary and appropriate documents.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CHERRY HILLS VILLAGE, COLORADO, ORDAINS:

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

Section 2. The City shall finance the Project in accordance with the provisions of the Financing Agreement.

Section 3. The Bonds shall be issued in the aggregate principal amount not to exceed \$1,700,000. The City shall enter into the Financing Agreement, the form of which shall be approved by those authorized to sign on behalf of the City, whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval; and the Mayor of the City and the members of the City Council of the City are hereby authorized and directed to execute and deliver such document and the Clerk or Deputy Clerk of the City is hereby authorized and directed to affix the seal of the City to, and to attest, such document.

Section 4. The City hereby finds that the sale of the Bonds in a private placement to the Bank is to the best advantage of the City.

Section 5. The principal of the Bonds shall be payable in monthly installments commencing January 5, 2002, through July 5, 2006, as set forth in the Financing Agreement. The Bonds shall be prepayable at any time, in whole or in part, at a prepayment price of 103% of the principal amount to be prepaid, plus accrued interest to the prepayment date. The Bonds shall bear interest at the rate of 6.50% per annum (calculated based on a 360-day year of twelve 30-day months). Interest on the Bonds shall accrue at the rate set forth above from the later of the original dated date or the latest interest payment date (or in the case of defaulted interest, the latest date) to which interest has been paid in full and shall be payable on the fifth day of each month, or if the fifth day of a month is not a Business Day (as defined in the Financing Agreement), then on the first Business Day following the fifth day of such month, commencing January 5, 2002, or as provided in the Financing Agreement. The forms and additional terms and provisions of the Bonds, in substantially the form to be contained in the Financing Agreement, shall be approved by those authorized to sign on behalf of the City, whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval; and the Mayor of the City and the members of

the City Council of the City are hereby authorized and directed to execute the Bonds, either by manual or facsimile signature, the Clerk or Deputy Clerk of the City is hereby authorized and directed to attest the Bonds, either by manual or facsimile signature, and each is authorized to deliver the Bonds in the form to be contained in the Financing Agreement. The seal of the City is hereby authorized and directed to be affixed to or imprinted on the Bonds.

Section 6. The officers of the City shall take all action which they deem necessary or reasonably required in conformity with the Act to give effect to and consummate the transactions contemplated by this Ordinance and the Financing 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 7. The cost of financing the Project, including the payment of incidental issuing expenses, will be paid out of the proceeds of the Bonds. The Bonds, together with interest payable thereon, are special, limited obligations of the City payable solely as provided in the Financing Agreement. The Bonds or interest payable thereon shall never constitute the debt or indebtedness of the City or any political subdivision thereof within the meaning of any provision or limitation of the State Constitution or statutes of the State nor shall anything contained in this Ordinance or in the Bonds, the Financing 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 City, nor shall the breach of any agreement contained in this Ordinance, or any of the above-mentioned documents or instruments, impose any pecuniary liability upon the City, the City having no power to pay out of its general fund, or otherwise contribute any part of the costs of providing for the Project.

Section 8. The issuance of the Bonds is approved for purposes of Section 147(f) of the Code.

Section 9. The City does hereby designate the Bonds as a qualified tax exempt obligation for purposes of Section 265(b)(3)(B)(i)(III) of the Code.

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

Adopted as Ordinance No. 17, Series of 2001, by the City Council of the City of Cherry Hills Village, Colorado, the 11<sup>th</sup> day of December, 2001.

*Viola Lahana*

Viola Lahana, Mayor Pro-Tem

ATTEST:

APPROVED AS TO FORM:

*Jennifer Pettinger*  
Jennifer Pettinger, City Clerk

*William C. Gorham*  
William C. Gorham, City Attorney

