



State of Colorado

EXECUTIVE CHAMBERS

DENVER

RICHARD D. LAMM
Governor

EXECUTIVE ORDER

COLORADO HEALTH FACILITIES AUTHORITY

WHEREAS, the Colorado Health Facilities Authority (the "Authority") was created by the Colorado Health Facilities Authority Act, constituting article 25 of title 25 of Colorado Revised Statutes 1973, as amended, (the "Act"); and

WHEREAS, the Authority is authorized by the Act to issue its obligations and use the proceeds thereof (i) to make mortgage or other secured or unsecured loans to private nonprofit corporations authorized by law to provide or operate health facilities in the State of Colorado which corporations, pursuant to the provisions of the Act, undertake the construction or acquisition of health facilities, and (ii) to issue its revenue obligations to finance all or part of the cost of any health facility; and

WHEREAS, obligations of the Authority issued for such purposes (the "Obligations") may under some circumstances constitute "industrial development bonds" within the meaning of Section 103(b) of the Internal Revenue Code of 1954, as amended, (the "Code"); and

WHEREAS, pursuant to Section 103(k) of the Code, interest on Obligations which are "industrial development bonds" does not qualify for exemption from federal income taxation unless their issuance has been approved by the governmental unit issuing them or by the governmental unit on whose behalf they are issued; and

WHEREAS, the governmental unit on whose behalf such Obligations are issued is the State of Colorado (the "State"); and

WHEREAS, an issue of Obligations is properly approved for purposes of Section 103(k) of the Code if it is approved by the "applicable elected representative" of the State after a public hearing; and

