

ORDINANCE NO. 3585

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF GRAND JUNCTION, COLORADO, DOWNTOWN DEVELOPMENT AUTHORITY TAX INCREMENT REVENUE BONDS, SERIES 2003; PLEDGING THE TAX INCREMENT REVENUES OF THE CITY FOR THE PAYMENT OF THE BONDS; PROVIDING FOR THE PAYMENT AND DISCHARGE OF THE CITY'S OUTSTANDING TAX INCREMENT REVENUE BONDS AND SUBORDINATE TAX INCREMENT REVENUE BONDS.

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

Section 1. Definitions. Terms used in this Ordinance shall have the meanings specified in this section for all purposes of this Ordinance and of any ordinance amendatory hereof, supplemental hereto or relating hereto, and of any instrument or document appertaining hereto, except where the context by clear implication otherwise requires. All definitions include the singular and plural and include all genders. Certain terms are parenthetically defined elsewhere herein.

Act: Part 8 of Article 25 of Title 31, Colorado Revised Statutes, as amended.

Additional Bonds: the one or more series of bonds or other securities or obligations authorized to be issued by the City pursuant to Sections 16 and 17 hereof and having a lien on the Pledged Revenues on a parity with the lien of the 2003 Bonds.

Authority: the Grand Junction, Colorado Downtown Development Authority, created by the City by an ordinance adopted March 16, 1977.

Average Annual Debt Service: the sum of principal and interest requirements on the Bonds to be paid during each Fiscal Year for the period beginning with the Fiscal Year in which such computation is being made and ending with the last Fiscal Year in which any Bond becomes due, divided by the number of Fiscal Years (including portions thereof) during the period beginning with the Fiscal Year in which such computation is being made and ending with the last Fiscal Year in which any Bond becomes due.

Bond Account: the account by that name created by Section 14 hereof.

Bonds: the Outstanding 2003 Bonds and any Outstanding Additional Bonds.

Business Day: a day on which banks located in the cities in which the principal offices of each of the Paying Agent and the Registrar are not required or authorized to be closed and on which the New York Stock Exchange is not closed.

City: the City of Grand Junction, Colorado.

City Council: the City Council of the City or any successor in functions thereto.

Charter: the home rule Charter of the City, including all amendments thereto prior to the date hereof.

Commercial Bank: any depository for public funds permitted by the laws of the State for political subdivisions of the State which has a capital and surplus of \$10,000,000 or more, and which is located within the United States.

Fiscal Year: the twelve months commencing on the first day of January of any calendar year and ending on the thirty-first day of December of such calendar year or such other twelve-month period as may from time to time be designated by the City Council as the Fiscal Year of the City.

Governmental Obligations: any of the following which are noncallable and which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

(a) direct general obligations of, or obligations the payment of principal of and interest on which are unconditionally guaranteed by, the United States of America;

(b) bonds, debentures, notes, or other evidences of indebtedness issued by the Export-Import Bank of the United States, the Federal Financing Bank, the Farmers Home Administration, the General Services Administration, the U.S. Maritime Administration, or the U.S. Department of Housing and Urban Development; or

(c) evidences of ownership interests in obligations described in paragraphs (a) or (b) above.

Maximum Annual Debt Service Requirement: the maximum amount of all required payments of principal and interest on the Outstanding Bonds which will become due in any Fiscal Year.

1996 Bonds: the City's Downtown Development Authority Tax Increment Revenue Bonds, Series 1996 issued pursuant to the 1996 Ordinance.

1996 Ordinance: Ordinance No. 2902 of the City authorizing the issuance of the 1996 Bonds.

1999 Bonds: the City's Downtown Development Authority Subordinate Tax Increment Revenue Bonds, Series 1999 issued pursuant to the 1999 Ordinance.

1999 Ordinance: Ordinance No. 3140 of the City authorizing the issuance of the 1999 Bonds.

2003 Bonds: the City's Downtown Development Authority Tax Increment Revenue Bonds, Series 2003 issued pursuant to this Ordinance.

Ordinance: this Ordinance of the City, which provides for the issuance and delivery of the 2003 Bonds.

Outstanding: as of any date of calculation, all Bonds theretofore executed, issued and delivered by the City except:

(a) Bonds theretofore canceled by the City, Registrar or Paying Agent, or surrendered to the City, Registrar or Paying Agent for cancellation;

(b) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the City and authenticated by the Registrar unless proof satisfactory to the Registrar is presented that any such Bonds are duly held by the lawful registered owners thereof; or

(c) Bonds deemed to have been paid as provided in Section 19 hereof or any similar section of an ordinance authorizing Additional Bonds.

Owner or registered owner: the registered owner of any 2003 Bond as shown on the registration records kept by the Registrar.

Paying Agent: the Finance Director of the City, or his successors and assigns.

Permitted Investment: any investment or deposit permitted by the laws of the State.

Person: any individual, firm, partnership, corporation, company, association, joint-stock association or body politic; and the term includes any trustee, receiver, assignee or other similar representative thereof.

Plan: the Downtown Development Authority Plan of Development approved in the Resolution, including any amendments to the Plan subsequently approved by the City Council.

Plan of Development Area: the area subject to the Plan, including any additional property subsequently included therein.

Pledged Revenues: the Tax Increments (less 20% of the Tax Increments originating from sales tax revenues for a portion of the Plan of Development Area and 30% of such increments from another portion of the Plan of Development Area as provided in Grand Junction City Resolution No. 28-83), all funds deposited in the Tax Increment Fund and Bond Account, and investment income from the Bond Account and Tax Increment Fund, subject to Federal tax laws regarding arbitrage rebate.

Principal Operations Office: means the principal operations office of the Registrar and Paying Agent, currently located at the City of Grand Junction, Colorado.

Prior Tax Increment Bonds: the outstanding 1996 Bonds and 1999 Bonds.

Project: means the improvements in the Plan of Development Area acquired with proceeds of the 2003 Bonds, which improvements shall be described in the Plan.

Purchaser: means Alpine Banks of Colorado.

Rebate Account: the account by that name created by Section 14 hereof.

Registrar: the Finance Director of the City, or his successors and assigns.

Regular Record Date: the last business day of the calendar month next preceding each interest payment date for the 2003 Bonds (other than a special interest payment date hereafter fixed for the payment of defaulted interest).

Resolution: the City Council Resolution adopted December 16, 1981 approving the Plan and establishing the Tax Increment Fund, all as amended from time to time.

Special Record Date: a special date fixed to determine the names and addresses of registered owners for purposes of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 6 hereof.

State: the State of Colorado.

Tax Code: the Internal Revenue Code of 1986, as amended to the date of delivery of the 2003 Bonds, and any regulations promulgated thereunder.

Tax Increments: those portions of the ad valorem and municipal sales tax revenue produced from the Plan of Development Area which are in excess of the amounts certified as base amounts by the Assessor of the County and the City Finance Director pursuant to Section 31-25-807(3) of the Act and are pledged herein for the repayment of and as security for the Bonds. "Tax Increments" also include specific ownership taxes, if and to the extent received by the City in connection with the property tax increment.

Tax Increment Fund: the special fund created by the Resolution into which the Tax Increments are to be deposited by the City.

Trust Bank: a Commercial Bank which is authorized to exercise and is exercising trust powers.

Section 2. Recitals.

A. The City is a municipal corporation duly organized and existing under the City's Charter adopted pursuant to Article XX of the Constitution of the State of Colorado.

B. The Authority was organized by the City pursuant to the Act as a Colorado Downtown Development Authority for the purposes of the Act and subsequently improving the area of the City contained within the Plan of Development Area. The Authority proposed and submitted the Plan to City Council, and the Plan was approved by the City Council in the Resolution. The Plan has been modified from time to time by amendments to the Resolution for the purpose of including additional property within the Plan of Development Area and other relevant changes. The Plan provides for a division of taxes pursuant to Section 31-25-807(3) of the Act. The Resolution established the Tax Increment Fund for the deposit of the Tax Increments resulting from such division of taxes.

C. Pursuant to the Act, the City is permitted to issue securities made payable from the Tax Increments for the purposes of a project if the issuance of such bonds and the pledge of such revenues are first submitted for approval to the qualified electors of the Authority at a special election held for such purpose.

D. In addition, Article X, Section 20 of the Colorado Constitution requires voter approval in advance for the creation of any multiple-fiscal year direct or indirect debt or other financial obligation (except that refundings of existing debt at lower interest rates do not require an election).

E. At a special election held on August 3, 1982, a majority of the electors of the Plan of Development Area voting thereon authorized the City to issue bonds or other indebtedness not to exceed the aggregate net principal amount of \$10,000,000 and not to exceed a maximum aggregate net effective interest rate of 18% per annum for the purpose of improving traffic and pedestrian circulation within the Plan of Development Area and authorized the pledge of the Tax Increment Fund for payment of principal, interest and any premiums due in connection with such bonds or other indebtedness, said pledge of funds not to exceed 25 years in duration.

F. The City has previously utilized \$4,824,500 of the existing authorization, leaving authorization of \$5,175,500 before issuance of the 2003 Bonds.

G. The 2003 Bonds issued for the Project shall be issued with terms such that they meet the requirements of the 1982 authorization.

H. The City has heretofore issued the 1996 Bonds in the original aggregate principal amount of \$1,700,000, of which \$620,000 remains outstanding bearing interest at the rates designated below, payable semi-annually on May 15 and November 15 in each year, and maturing on November 15 in each of the years and amounts as follows:

<u>Maturity</u> <u>(November 15)</u>	<u>Principal Amount Outstanding</u>	<u>Interest Rate</u> <u>(Per annum)</u>
2004	190,000	5.55
2005	205,000	5.65
2006	225,000	5.75

I. The 1996 Bonds maturing on and after November 15, 2004 are subject to redemption prior to maturity, at the option of the City, in whole or in part, on May 15, 2004, or on any date thereafter at a redemption price equal to the principal amounts so redeemed plus accrued interest to the redemption date.

J. The City has heretofore issued the 1999 Bonds in the original aggregate principal amount of \$2,000,000, of which \$1,050,000 remains outstanding bearing interest at the rates designated below, payable semi-annually on May 15 and November 15 in each year, and maturing on November 15 in each of the years and amounts as follows:

<u>Maturity</u> (November 15)	<u>Principal Amount Outstanding</u>	<u>Interest Rate</u> (Per annum)
2004	325,000	3.80
2005	350,000	3.80
2006	375,000	3.80

K. The 1996 Bonds maturing on and after November 15, 2004 are subject to redemption prior to maturity, at the option of the City, in whole or in part, on May 15, 2004, or on any date thereafter at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date.

L. The City Council desires to use moneys presently on hand to cause the Prior Tax Increment Bonds to be called for prior redemption and defeased in advance of or concurrently with the issuance of the 2003 Bonds, provided, however, that the proceeds of the 2003 Bonds will not be used to effect such redemption and defeasance.

M. The City is not delinquent in the payment of the principal of, premium, if any, or interest on any of the 1996 Bonds or the 1999 Bonds.

N. Assuming the defeasance of the Prior Tax Increment Bonds as set forth above, there are no other liens on the Pledged Revenues. The Pledged Revenues may now be pledged lawfully and irrevocably for the payment of the 2003 Bonds.

O. The City expects to receive an offer from the Purchaser for the purchase of the 2003 Bonds for the purpose of defraying in whole or in part the costs of the Project and costs of issuance of the 2003 Bonds.

P. The City Council desires to cause the 2003 Bonds to be issued, to authorize and direct the application of the proceeds thereof as set forth herein, and to provide security for the payment thereof, all in the manner hereinafter set forth.

Section 3. Ratification. All actions heretofore taken (not inconsistent with the provisions of this Ordinance) by the City Council and other officers of the City in the creation of the Tax Increment Fund, the pledging of the Tax Increments (to the extent described herein) the implementation of the Project, and selling and issuing the 2003 Bonds for those purposes are ratified, approved and confirmed.

Section 4. Authorization of Project. The Project hereby is authorized at a cost of not exceeding \$3,000,000 (excluding costs to be paid from sources other than the proceeds of the 2003 Bonds). The useful life of the Project is not less than 10 years.

Section 5. Authorization of the 2003 Bonds. There hereby are authorized to be issued fully registered Tax Increment revenue securities of the City, to be designated “City of Grand Junction, Colorado, Downtown Development Authority Tax Increment Revenue Bonds, Series 2003” in the aggregate principal amount of \$3,000,000, to be payable and collectible, both as to principal and interest, from the Pledged Revenues.

Section 6. 2003 Bond Details. The 2003 Bonds shall be issued in fully registered form (i.e., registered as to both principal and interest) initially registered in the name of the Purchaser, shall be dated as of the date of their delivery, shall be issued in denominations equal to the principal amount of the 2003 Bonds maturing on each maturity date set forth below; provided that if a 2003 Bond is redeemed in part, such 2003 Bond may be in the denomination equal to the unredeemed principal amount thereof and provided that no 2003 Bond may be in a denomination which exceeds the principal coming due on any maturity date, and no individual 2003 Bond will be issued for more than one maturity. The 2003 Bonds shall be numbered in such manner as the Registrar may determine. The 2003 Bonds shall bear interest from their dated date until maturity or prior redemption payable semiannually on June 22 and December 22 in each year, commencing on June 22, 2004, except that any 2003 Bond which is reissued upon transfer or other replacement shall bear interest from the most recent interest payment date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the 2003 Bonds. The maximum net effective interest rate on the Bonds shall be 18%. The 2003 Bonds shall bear interest at the rates designated below (based on a 360-day year consisting of twelve 30-day months) and shall mature on December 22 in the following years and in the following amounts:

<u>Maturity</u> <u>(December 22)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u> <u>Per Annum</u>
2004	\$690,000	1.25%
2005	730,000	1.75%
2006	770,000	2.25%
2007	810,000	2.75%

The principal of and premium, if any, on any 2003 Bond shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar at the Principal Operations Office, upon maturity thereof or prior redemption and upon presentation and surrender at the Principal Operations Office of the Paying Agent. If any 2003 Bond shall not be paid upon such presentation and surrender at or after maturity or prior redemption, it shall continue to draw interest at the same interest rate borne by said 2003 Bond until the principal thereof is paid in full. Payment of interest on any 2003 Bond shall be made by check or draft mailed by the Paying Agent from the Principal Operations Office, on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to the registered owner thereof at the address shown on the registration records kept by the Registrar at the close of business on the Regular Record Date for such interest payment date; but any such interest not so timely paid or duly provided for shall cease to be payable to the Person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the Person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date and the date fixed for payment of the defaulted interest shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest. Notice of the Special Record Date and the date fixed for payment of the defaulted interest shall be given to the registered owners of the 2003 Bonds not less than ten days prior to the Special Record Date by first-class mail to each such registered owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make

payments of interest on any 2003 Bond by such alternative means as may be mutually agreed to between the Owner of such 2003 Bond and the Paying Agent (provided, however, that if the Paying Agent is other than the City, the City shall not be required to make funds available to said Paying Agent prior to the dates provided in an agreement between the City and the successor paying agent. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar, if other than the City.

Section 7. Prior Redemption.

A. The 2003 Bonds maturing on or before December 22, 2006 are not subject to prior redemption. The 2003 Bonds maturing on December 22, 2007 are subject to redemption prior to their maturity, at the option of the City, on December 22, 2006 or on any date thereafter, in whole or in part, in integral multiples of \$5,000, and if less than all of the 2003 Bonds maturing on December 22, 2007 are to be redeemed, by lot within said maturity in such manner as the Registrar may determine, at a redemption price equal the principal amount so redeemed plus accrued interest to the redemption date.

B. In the case of redemption of less than the entire principal amount of a 2003 Bond, the Registrar shall, without charge to the registered owner of such 2003 Bond, authenticate and issue a replacement 2003 Bond or Bonds for the unredeemed portion thereof.

C. If the Registrar is other than the City, the City shall (unless waived by such Registrar) give written instructions concerning any prior redemption to the Registrar at least 60 days prior to such redemption date. Notice of redemption shall be given by the Registrar in the name of the City, by sending a copy of such notice by first-class postage prepaid mail, not more than 60 nor less than 30 days prior to the redemption date, to each registered owner of any 2003 Bond, all or a portion of which is called for prior redemption, at his address as it last appears on the registration records kept by the Registrar. Failure to give such notice by mailing to the registered owner of any 2003 Bond or any defect therein, shall not affect the validity of the proceedings for the redemption of any other 2003 Bonds.

Such notice shall identify the 2003 Bonds or portions thereof to be redeemed (if less than all are to be redeemed) and the date fixed for redemption, and shall further state that on such redemption date the principal amount thereof and the designated premium thereon, if any,

will become due and payable at the Paying Agent, and that from and after such date interest will cease to accrue. Accrued interest to the redemption date will be paid by check or draft mailed to the registered owner (or by alternative means if so agreed to by the Paying Agent and the registered owner). Notice having been given in the manner hereinabove provided, the 2003 Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated; and upon presentation and surrender thereof at the Paying Agent, the City will pay the principal of and premium, if any, on the 2003 Bond or Bonds so called for redemption.

Section 8. Lien on Pledged Revenues; Special Obligations. The 2003 Bonds constitute a pledge of, and an irrevocable first lien (but not an exclusive first lien) on all of the Pledged Revenues. The 2003 Bonds are equitably and ratably secured by a pledge of and lien on the Pledged Revenues. All of the 2003 Bonds, together with the interest accruing thereon shall be payable and collectible solely out of the Pledged Revenues, which are hereby irrevocably so pledged; the registered owner or owners of the 2003 Bonds may not look to any general or other fund of the City or the Authority for the payment of principal of and interest on the 2003 Bonds, except the designated special funds and accounts pledged therefor. The 2003 Bonds shall not constitute an indebtedness nor a debt within the meaning of any applicable Charter, constitutional or statutory provision or limitation; nor shall they be considered or held to be general obligations of the City or the Authority.

Section 9. Form of 2003 Bonds and Registration Panel. The 2003 Bonds and the registration panel shall be substantially as follows (provided that any portion of the 2003 Bond text may, with appropriate references, be printed on the back of the 2003 Bonds), with such omissions, insertions, endorsements, and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Ordinance, or be consistent with this Ordinance and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF MESA

CITY OF GRAND JUNCTION, COLORADO
DOWNTOWN DEVELOPMENT AUTHORITY
TAX INCREMENT REVENUE BOND
SERIES 2003

R- _____ \$ _____

INTEREST RATE MATURITY DATE DATED DATE CUSIP

_____ % December 22, 20____ _____, 2003

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Grand Junction, in the County of Mesa and State of Colorado (the “City”), for value received, promises to pay to the registered owner specified above, or registered assigns, solely from the special funds provided therefor, the principal amount specified above, on the maturity date specified above (unless called for earlier redemption), and to pay from said sources interest thereon on June 22 and December 22 of each year, commencing on June 22, 2004, at the interest rate per annum specified above, until the principal sum is paid or payment has been provided therefor. This bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this bond. The principal of this bond is payable upon presentation and surrender hereof to the Principal Operations Office of the City’s registrar and paying agent (the “Registrar” or the “Paying Agent”), initially the Finance Director for the City, whose Principal Operations Office is currently located at the City of Grand Junction, Colorado. Interest on this bond will be paid on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), by check or draft mailed to the person in whose name this bond is registered (the “registered owner”) in the registration records of the City maintained by the Registrar at the Principal Operations Office and at the address appearing thereon at the

close of business on the last business day of the calendar month next preceding such interest payment date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the bonds of the series of which this is one (the "2003 Bonds") not less than ten days prior to the Special Record Date. Alternative means of payment of interest may be used if mutually agreed to between the Owner of any Bond and the Paying Agent, as provided in the ordinance of the City authorizing the issuance of the 2003 Bonds (the "Bond Ordinance"). All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar.

The 2003 Bonds maturing on or before December 22, 2006 are not subject to prior redemption. The 2003 Bonds maturing on December 22, 2007 are subject to redemption prior to their maturity, at the option of the City, on December 22, 2006 or on any date thereafter, in whole or in part, in integral multiples of \$5,000, and if less than all of the 2003 Bonds maturing on December 22, 2007 are to be redeemed, by lot within said maturity in such manner as the Registrar may determine, at a redemption price equal the principal amount so redeemed plus accrued interest to the redemption date.

In the case of redemption of less than the entire principal amount of a Bond, the Registrar shall, without charge to the Owner of such Bond, authenticate and issue a replacement Bond for the unredeemed portion thereof. Redemption shall be made upon not more than 60 days' and not less than 30 days' mailed notice to each registered owner of Bonds to be redeemed as shown on the registration records kept by the Registrar, in the manner and upon the conditions provided in the Bond Ordinance.

The Bonds are issued in fully registered form, in denominations equal to the principal amount of the Bonds maturing on each maturity date; provided that if a Bond is redeemed in part, such Bond may be in the denomination equal to the unredeemed principal

amount thereof. Subject to the aforementioned restriction, the 2003 Bonds are transferable only as set forth in the Bond Ordinance.

The City and the Registrar and Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute Owner hereof for the purpose of making payment and for all other purposes, except to the extent otherwise provided hereinabove and in the Bond Ordinance with respect to Regular and Special Record Dates for the payment of interest.

The 2003 Bonds are authorized for the purpose of defraying wholly or in part the costs of the Project (as defined in the Bond Ordinance), for the payment of costs and expenses incidental thereto and to the issuance of the 2003 Bonds, all under the authority of and in full conformity with the Constitution of the State of Colorado and the Act (as defined in the Bond Ordinance) and pursuant to the Bond Ordinance duly adopted, published and made a law of the City, all prior to the issuance of this bond. As provided in the Act, this bond and the interest thereon is exempt from taxation by the State of Colorado except inheritance, estate and transfer taxes.

The 2003 Bonds do not constitute a debt or an indebtedness of the City or the Authority within the meaning of any applicable charter, constitutional or statutory provision or limitation. This Bond shall not be considered or held to be a general obligation of the City, and is payable from, and constitutes a pledge of and an irrevocable first lien (but not an exclusive first lien) on all of the proceeds to be derived by the City from the Pledged Revenues (the "Pledged Revenues"), consisting of funds derived from the incremental increase in property tax revenues (including specific ownership taxes, if and to the extent received by the City in connection with the incremental property tax revenues) and a portion of the incremental increase in sales tax revenues (the "Tax Increments") calculated with reference to a base year within the area of the City subject to the Plan of Development for the Grand Junction Downtown Development Authority, and also consisting of the Bond Account, the Tax Increment Fund and investment income thereon, all as more specifically provided in the Bond Ordinance.

The 2003 Bonds constitute a pledge of, and an irrevocable first lien on all of the Pledged Revenues. The 2003 Bonds are equitably and ratably secured by a pledge of and first lien on the Pledged Revenues.

Payment of the principal of and interest on this bond shall be made from, and as security for such payment there are irrevocably pledged, pursuant to the Bond Ordinance, moneys deposited and to be deposited in a special account of the City (the "Bond Account") into which account the City has covenanted under the Bond Ordinance to pay from the Pledged Revenues a sum sufficient, together with other moneys available in the Bond Account therefor, to pay when due the principal of and interest on the 2003 Bonds and any Additional Bonds (as defined in the Bond Ordinance). Except as otherwise specified in the Bond Ordinance, this bond is entitled to the benefits of the Bond Ordinance equally and ratably both as to principal (and redemption price) and interest with all other Bonds issued and to be issued under the Bond Ordinance, to which reference is made for a description of the rights of the Owners of the 2003 Bonds and the rights and obligations of the City. This bond is payable from the Pledged Revenues, and the Owner hereof may not look to any general or other fund of the City or the Authority for the payment of the principal of and interest on this bond except the Pledged Revenues. Reference is made to the Bond Ordinance for the provisions, among others, with respect to the custody and application of the proceeds of the 2003 Bonds, the receipt and disposition of the Pledged Revenues, the nature and extent of the security, the terms and conditions under which additional bonds payable from the Pledged Revenues may be issued, the rights, duties and obligations of the City, and the rights of the Owners of the 2003 Bonds; and by the acceptance of this bond the Owner hereof assents to all provisions of the Bond Ordinance. The principal of and the interest on this bond shall be paid, and this bond is transferable, free from and without regard to any equities between the City and the original or any intermediate Owner hereof or any setoffs or cross-claims.

FOR PURPOSES OF SECTION 265(b)(3)(B) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE CITY HAS DESIGNATED THE 2003 BONDS AS A QUALIFIED TAX-EXEMPT OBLIGATION.

This bond must be registered in the name of the Owner as to both principal and interest on the registration records kept by the Registrar at the Principal Operations Office in conformity with the provisions stated herein and endorsed herein and subject to the terms and conditions set forth in the Bond Ordinance. No transfer of this bond shall be valid unless made in accordance with the restrictions set forth herein and in the Bond Ordinance and on the

registration records maintained at the Principal Operations Office of the Registrar by the registered owner or his attorney duly authorized in writing.

It is further certified and recited that all the requirements of law have been fully complied with by the proper City officers in the issuance of this bond.

This bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the certificate of authentication herein.

IN TESTIMONY WHEREOF, the City Council of the City of Grand Junction has caused this bond to be signed and executed in its name with a manual or facsimile signature of the President of the City Council, and to be signed, executed and attested with a manual or facsimile signature of the City Clerk, with a manual or facsimile impression of the seal of the City affixed hereto, all as of the date specified above.

(Manual or Facsimile Signature)
President of the City Council

(MANUAL OR FACSIMILE SEAL)

Attest:

(Manual or Facsimile Signature)
City Clerk

(End of Form of Bond)

(Form of Registrar's Certificate of Authentication)

This is one of the 2003 Bonds described in the within-mentioned Bond Ordinance, and this Bond has been duly registered on the registration records kept by the undersigned as Registrar for such Bonds.

Date of Authentication
and Registration: _____

CITY OF GRAND JUNCTION, COLORADO,
as Registrar

By: _____
Finance Director

(End of Form of Registrar's Certificate of Authentication)

(Form of Assignment)

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the registration records of the Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

(Firm or Bank)

Authorized Signature

Name and Address of transferee:

Social Security or other tax
identification number of transferee:

NOTE: The signature to this Assignment must correspond with the name as written on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

TRANSFER FEES MAY BE CHARGED

(End of Form of Assignment)

Section 10. Negotiability. Subject to the registration provisions hereof, the 2003 Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the Owner or Owners thereof shall possess all rights enjoyed by the holders or owners of negotiable instruments under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest on the 2003 Bonds shall be paid, and the 2003 Bonds shall be transferable, free from and without regard to any equities between the City and the original or any intermediate owner of any 2003 Bonds or any setoffs or cross-claims.

Section 11. Execution. The 2003 Bonds shall be executed in the name and on behalf of the City by the signature of the President of the City Council, shall be sealed with a manual or facsimile impression of the seal of the City and attested by the signature of the City Clerk. Each 2003 Bond shall be authenticated by the manual signature of an authorized officer or employee of the Registrar as hereinafter provided. The signatures of the President of the City Council and the City Clerk may be by manual or facsimile signature. The 2003 Bonds bearing the manual or facsimile signatures of the officers in office at the time of the authorization thereof shall be the valid and binding obligations of the City (subject to the requirement of authentication by the Registrar as hereinafter provided), notwithstanding that before the delivery thereof and payment therefor or before the issuance of the 2003 Bonds upon transfer, any or all of the persons whose manual or facsimile signatures appear thereon shall have ceased to fill their respective offices. The President of the City Council and the City Clerk shall, by the execution of a signature certificate pertaining to the 2003 Bonds, adopt as and for their respective signatures any facsimiles thereof appearing on the 2003 Bonds. At the time of the execution of the signature certificate, the President of the City Council and the City Clerk may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the 2003 Bonds.

No 2003 Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by the Registrar if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the 2003 Bonds issued hereunder. By authenticating any of the 2003

Bonds initially delivered pursuant to this Ordinance, the Registrar shall be deemed to have assented to the provisions of this Ordinance.

Section 12. Registration and Transfer.

A. Records for the registration and transfer of the 2003 Bonds shall be kept by the Registrar, which is hereby appointed by the City as registrar (i.e., transfer agent) for the 2003 Bonds. Upon the surrender for transfer of any 2003 Bond at the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall enter such transfer on the registration records and shall authenticate and deliver in the name of the transferee or transferees a new 2003 Bond or Bonds of the same series, of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with such transfers of 2003 Bonds, which charges (as well as any tax or other governmental charge required to be paid with respect to such transfer) shall be paid by the registered owner requesting such transfer.

B. The Registrar shall not be required to transfer (1) any 2003 Bond during a period beginning at the opening of business 15 days before the day of the mailing of notice of prior redemption as herein provided and ending at the close of business on the day of such mailing, or (2) any 2003 Bond after the mailing of notice calling such 2003 Bond or any portion thereof for prior redemption, except for the unredeemed portion of the 2003 Bonds being redeemed in part.

C. The person in whose name any 2003 Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute Owner thereof for the purpose of making payment thereof and for all other purposes; except as may be otherwise provided in Section 6 hereof with respect to payment of interest; and, subject to such exception, payment of or on account of either principal or interest on any 2003 Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such 2003 Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such 2003 Bond to the extent of the sum or sums so paid.

D. If any 2003 Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it and the City may reasonably require, authenticate and deliver a replacement 2003 Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. If such lost, stolen, destroyed, or mutilated 2003 Bond shall have matured or is about to become due and payable, the Registrar may direct the Paying Agent to pay such 2003 Bond in lieu of replacement.

E. The officers of the City are authorized to deliver to the Registrar fully executed but unauthenticated 2003 Bonds in such quantities as may be convenient to be held in custody by the Registrar pending use as herein provided.

F. Whenever any 2003 Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer or replacement as provided herein, such 2003 Bond shall be promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the City.

Section 13. Delivery of 2003 Bonds and Disposition of Proceeds. When the 2003 Bonds have been duly executed by appropriate City officers and authenticated by the Registrar, the City shall cause the 2003 Bonds to be delivered to the Purchaser on receipt of the agreed purchase price. The 2003 Bonds shall be delivered in such denominations as the Purchaser shall direct (but subject to the provisions of Section 12 hereof); and the Registrar shall initially register the 2003 Bonds in such name or names as the Purchaser shall direct.

The proceeds of the 2003 Bonds shall be deposited promptly by the City and shall be accounted for in the following manner and are hereby pledged therefor, but the Purchaser of the 2003 Bonds or any subsequent Owner in no manner shall be responsible for the application or disposal by the City or any of its officers of any of the funds derived from the sale:

(i) All proceeds of the 2003 Bonds shall be credited to the Tax Increment Projects Fund, hereby created, to be used for the Project and for the costs of issuance of the 2003 Bonds. After payment of all costs of the Project and costs of issuance of the 2003 Bonds, or after adequate provision therefor is made, any unexpended balance of the proceeds of the 2003 Bonds shall be deposited in the Bond Account and applied to the payment of the principal of and interest on the 2003 Bonds.

Section 14. Use of Pledged Revenues. So long as any Bonds shall be Outstanding, either as to principal or interest, all Pledged Revenues in the Tax Increment Fund shall be applied as described below:

A. Bond Account. A special account is hereby created and designated as the “City of Grand Junction, Colorado, Downtown Development Authority 2003 Tax Increment Revenue Bond Account” (the “Bond Account”). The Bond Account shall be held, administered and distributed by the City in accordance with the terms of this Ordinance. The Pledged Revenues remaining in the Tax Increment Fund shall be credited immediately to the Bond Account until the total amount accumulated therein is equal to the sum of the following:

(1) Interest payments. The aggregate amount of the next maturing installment of interest on the Bonds, plus

(2) Principal payments. The aggregate amount of the next maturing installment of principal of the Bonds.

Once there has been accumulated in the Bond Account the entire amount necessary for the payment of principal of and interest on the Bonds in the current Fiscal Year, no moneys need be deposited in the Bond Account until the following Fiscal Year. The moneys in the Bond Account shall be used only to pay the principal of, prior redemption premium, if any, and interest on the Bonds as the same becomes due.

B. Termination Upon Deposits to Maturity or Redemption Date. No payment need be made into the Bond Account if the amount in the Bond Account totals a sum at least equal to the entire amount of the Outstanding Bonds, both as to principal and interest to their respective maturities, or to any redemption date on which the City shall have exercised its option to redeem the Bonds then Outstanding and thereafter maturing, including any prior redemption premiums then due, and both accrued and not accrued, in which case moneys in the Bond Account in an amount at least equal to such principal and interest requirements shall be used solely to pay such as the same accrue, and any moneys in excess thereof in the Bond Account may be withdrawn and used for any lawful purpose.

C. Defraying Delinquencies in Bond Account. If on any required payment date the City shall for any reason not have in the Bond Account the full amount above stipulated, then the City shall deposit into the Bond Account from the first Pledged Revenues thereafter

received and not required to be applied otherwise by this Section (but excluding any payments required for any obligations subordinate to the Bonds) an amount equal to the difference between the amount then on deposit in the Bond Account and the amount needed to make the payments due on said payment date.

In the event that said first moneys credited to the Tax Increment Fund have been insufficient during a given Fiscal Year to meet the principal and interest requirements on the Bonds to be paid during said Fiscal Year, then during the month of December of said Fiscal Year, the City may at its option and sole discretion, transfer to the Bond Account from surplus legally available funds a sum equal to the amount needed to meet said debt service requirements due and owing on the Bonds. The City intends to include the question of whether to so replenish the Bond Account on its agenda in December of any Fiscal Year for which the balance of the Bond Account is inadequate to meet said debt service requirements. If and to the extent the City decides to replenish the Bond Account from surplus legally available funds, all such City moneys deposited into the Bond Account shall be deemed a loan to the Tax Increment Fund, to be paid back on an annually subordinate basis pursuant to Section 14E as a “subordinate obligation.”

The moneys in the Bond Account shall be used solely for the purpose of paying the principal of, redemption premium, if any, and the interest on the Bonds; provided, that any moneys in the Bond Account in excess of accrued and unaccrued principal and interest requirements to the respective maturities of the Outstanding Bonds, and not needed for rebate to the United States government, may be used as provided in paragraphs E and F of this Section.

D. Rebate Account. Next, there shall be deposited in a special account hereby created and to be known as the “City of Grand Junction, Colorado, Downtown Development Authority 2003 Tax Increment Revenue Bonds Rebate Account” (the “Rebate Account”) amounts required by Section 148(f) of the Tax Code to be held until such time as any required rebate payment is made. Amounts in the Rebate Account shall be used for the purpose of making the payments to the United States required by Section 148(f) of the Tax Code. Any amounts in excess of those required to be on deposit therein by Section 148(f) of the Tax Code shall be withdrawn therefrom and deposited into the Bond Account. Funds in the Rebate Account shall not be subject to the lien created by this Ordinance to the extent such amounts are

required to be paid to the United States Treasury. A similar rebate account may be created for any series of Additional Bonds and payments into such account shall have the same priority as payments into the Rebate Account created hereunder.

E. Payment for Subordinate Obligations. After the payments required by paragraphs A, C and D of this Section, the Pledged Revenues shall be used by the City for the payment of interest on and principal of any obligations secured by Pledged Revenues subordinate to the lien of the 2003 Bonds (including the repayment of any City loan to replenish the Bond Account), hereafter authorized to be issued, including reasonable reserves therefor.

F. Use of Remaining Revenues. After making the payments required to be made by this Section, any remaining Pledged Revenues may be used for any lawful purpose. Without limiting the foregoing, to the extent permitted by law, the City is hereby authorized to transfer any and all remaining Pledged Revenues which constitute investment income on moneys in the Tax Increment Fund to the Authority to be used for administrative expenses.

Section 15. General Administration of Accounts. The accounts designated in Sections 13 and 14 hereof and the Tax Increment Fund shall be administered as follows subject to the limitations stated in Section 18K hereof:

A. Budget and Appropriation of Accounts. The sums provided to make the payments specified in Section 14 hereof are hereby appropriated for said purposes, and said amounts for each year shall be included in the annual budget and the appropriation ordinance or measures to be adopted or passed by the City Council in each year respectively while any of the 2003 Bonds, either as to principal or interest, are Outstanding and unpaid.

B. Places and Times of Deposits. Each of the special accounts created in Section 14 hereof and the Tax Increment Fund shall be maintained as a book account kept separate and apart from all other accounts or funds of the City as trust accounts solely for the purposes herein designated therefor. For purposes of investment of moneys, nothing herein prevents the commingling of moneys accounted for in any two or more such book accounts pertaining to the Pledged Revenues or to such accounts and any other funds of the City to be established under this Ordinance. Moneys in any such book account shall be continuously secured to the fullest extent required by the laws of the State for the securing of public accounts. Each periodic payment shall be credited to the proper book account not later than the date

therefor herein designated, except that when any such date shall be a Saturday, a Sunday or a legal holiday, then such payment shall be made on or before the next preceding Business Day.

C. Investment of Accounts. Any moneys in any account established by Section 14 of this Ordinance and the Tax Increment Fund may be invested or reinvested in any Permitted Investment. Securities or obligations purchased as such an investment shall either be subject to redemption at any time at face value by the holder thereof at the option of such holder, or shall mature at such time or times as shall most nearly coincide with the expected need for moneys from the account in question. Securities or obligations so purchased as an investment of moneys in any such account shall be deemed at all times to be a part of the applicable account. The City shall present for redemption or sale on the prevailing market any securities or obligations so purchased as an investment of moneys in a given account whenever it shall be necessary to do so in order to provide moneys to meet any required payment or transfer from such account. The City shall have no obligation to make any investment or reinvestment hereunder, unless any moneys on hand and accounted for in any one account exceed \$5,000 and at least \$5,000 therein will not be needed for a period of not less than 60 days. In such event the City shall invest or reinvest not less than substantially all of the amount which will not be needed during such 60-day period, except for any moneys on deposit in an interest bearing account in a Commercial Bank, without regard to whether such moneys are evidenced by a certificate of deposit or otherwise, pursuant to this Section 15C and Section 15E hereof; but the City is not required to invest, or so to invest in such a manner, any moneys accounted for hereunder if any such investment would contravene the covenant concerning arbitrage in Section 18K hereof.

D. No Liability for Losses Incurred in Performing Terms of Ordinance. Neither the City nor any officer of the City shall be liable or responsible for any loss resulting from any investment or reinvestment made in accordance with this Ordinance.

E. Character of Funds. The moneys in any fund or account herein authorized shall consist of lawful money of the United States or investments permitted by Section 15C hereof or both such money and such investments. Moneys deposited in a demand or time deposit account in or evidenced by a certificate of deposit of a Commercial Bank pursuant to Section 15C hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

Section 16. Additional Bonds.

A. Limitations Upon Issuance of Additional Bonds. Nothing in this Ordinance shall be construed in such a manner as to prevent the issuance by the City of Additional Bonds payable from and constituting a lien upon the Pledged Revenues on a parity with the lien of the 2003 Bonds; but before any such Additional Bonds are authorized or actually issued (excluding any parity refunding securities refunding the Bonds or a part thereof, as provided in Section 17 hereof), the following provisions B through F must all first be satisfied.

B. Absence of Default. At the time of the adoption of the supplemental ordinance or other instrument authorizing the issuance of the Additional Bonds, the City shall not be in default in making any payments required by Section 14 hereof.

C. Historic Revenues Test. The Tax Increments constituting Pledged Revenues, as certified by the City Council, received in the last complete Fiscal Year immediately preceding the date of the issuance of such Additional Bonds, shall have been sufficient to pay an amount at least equal to 100% of the sum derived by adding the following: (i) the Average Annual Debt Service for the Outstanding Bonds and (ii) the Average Annual Debt Service for the Additional Bonds proposed to be issued.

D. Adjustment of Historic Revenues. In the computation of the historic revenues test in Section 16 hereof, the amount of the Tax Increments constituting Pledged Revenues for such Fiscal Year may be increased by the amount of gain which will result from any increase in the amount of the assessed valuation of taxable property within the Plan of Development Area, or the mill levy or percentage of sales tax which will be applied in the City during that Fiscal Year as provided in final ordinances, certifications, or resolutions of the City or county or other taxing authority, approved if required by the electors, providing for such increase.

E. Adequate Reserves. The City may, at its option, provide for the creation and maintenance of a reserve fund in connection with the issuance of any Additional Bonds.

F. Reduction of Annual Requirements. The respective annual debt service requirements set forth in Section 16 hereof (including as such a requirement, the amount of any prior redemption premiums due on any redemption date as of which the City shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of bonds or

securities for redemption) shall be reduced to the extent such debt service requirements are scheduled to be paid in each of the respective Fiscal Years with moneys held in trust or in escrow for that purpose by any Trust Bank located within or without the State, including the known minimum yield from any investment of such moneys in Governmental Obligations and bank deposits, including any certificate of deposit.

G. Certification of Revenues. In the case of the computation of the revenue tests provided in Section 16C and when adjusted in the manner provided in Section 16D, the specified and required written certification by the City Council that such annual revenues are sufficient to pay such amounts as provided in Section 16C hereof shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver Additional Bonds on a parity with the then Outstanding Bonds.

H. Subordinate Securities Permitted. Nothing herein prevents the City from issuing additional bonds or other additional securities for any lawful purpose payable from the Pledged Revenues having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds.

I. Superior Securities Prohibited. Nothing herein permits the City to issue bonds or other securities payable from the Pledged Revenues and having a lien thereon prior and superior to the lien thereon of the 2003 Bonds.

Section 17. Refunding Obligations.

A. Generally. If at any time after the 2003 Bonds, or any part thereof, shall have been issued and remain Outstanding, the City shall find it desirable to refund any Outstanding obligations payable from the Pledged Revenues, said obligations, or any part thereof, may be refunded, subject to the provisions of paragraph B of this Section, if (1) the obligations to be refunded, at the time of their required surrender for payment, shall then mature or shall then be callable for prior redemption at the City's option upon proper call, or (2) the owners of the obligations to be refunded consent to such surrender and payment.

B. Protection of Obligations Not Refunded. Any refunding obligations payable from the Pledged Revenues shall be issued with such details as the City Council may provide, so long as there is no impairment of any contractual obligation imposed upon the City by any proceedings authorizing the issuance of any unrefunded portion of obligations payable

from the Pledged Revenues; but so long as any 2003 Bonds are Outstanding, refunding obligations payable from the Pledged Revenues may be issued on a parity with the unrefunded Bonds only if:

(1) Prior Consent. The City first receives the consent of the Owner or Owners of the unrefunded Bonds; or

(2) Requirements. The refunding obligations do not increase by more than \$25,000, for any Fiscal Year prior to and including the last maturity date of any unrefunded Bonds, the aggregate principal and interest requirements evidenced by such refunding obligations and by any Outstanding Bonds not refunded, and the lien of any refunding parity obligations on the Pledged Revenues is not raised to a higher priority than the lien thereon of any obligations thereby refunded; or

(3) Earnings Tests. The refunding obligations are issued in compliance with Section 16 hereof.

Section 18. Protective Covenants. The City hereby additionally covenants and agrees with each and every Owner of the 2003 Bonds that:

A. Use of 2003 Bond Proceeds. The City will proceed with the Project without delay and with due diligence.

B. Payment of 2003 Bonds. The City will promptly pay the principal of and interest on every 2003 Bond issued hereunder and secured hereby on the dates and in the manner specified herein and in said 2003 Bonds according to the true intent and meaning hereof. Such principal and interest is payable solely from the Pledged Revenues.

C. Amendment of the Resolution; Continuance and Collection of Taxes. The Resolution is now in full force and effect and has not been repealed or amended.

Unless required by law, the City shall not make any further modification of the Resolution or the Plan which would reduce the Tax Increments deposited or to be deposited in the Tax Increment Fund or otherwise materially impair the pledged security for the 2003 Bonds unless the required consent is obtained, all as provided in Section 27 of this Ordinance.

The City shall maintain the Tax Increment Fund as a fund of the City separate and distinct from all other funds of the City and immediately upon receipt or collection of the Tax Increments shall deposit the Tax Increments (less 20% of the Tax Increments originating from

sales tax revenues for a portion of the Plan of Development Area and 30% of such increments from another portion of the Plan of Development Area as provided in Grand Junction City Resolution No. 28-83) into said fund.

The City shall take all reasonable action necessary to collect delinquent payments of the ad valorem and sales taxes owing from the Plan of Development Area or to cause such delinquent payments to be collected.

The foregoing covenants are subject to compliance by the City with its Charter, any legislation of the United States or the State or any regulation or other action taken by the federal government or any State agency or any political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof or the public welfare, which legislation, regulation or action applies to the City as a Colorado municipality and limits or otherwise inhibits the amount of such tax revenues due to the City. All of the Tax Increments (less 20% of the Tax Increments originating from sales tax revenues for a portion of the Plan of Development Area and 30% of such increments from another portion of the Plan of Development Area as provided in Grand Junction City Resolution No. 28-83) shall be subject to the payment of the debt service requirements of all Bonds payable from the Pledged Revenues and the Tax Increment Fund, including reserves therefor if any, as provided herein or in any instrument supplemental or amendatory hereto.

D. Defense of Legality of Application and Use of Tax Increments. There is not pending or threatened any suit, action or proceeding against or affecting the City before or by any court, arbitrator, administrative agency or other governmental authority which affects the validity or legality of this Ordinance, the Resolution, or the imposition and collection of the Tax Increments, any of the City's obligations under this Ordinance or any of the transactions contemplated by this Ordinance or the Resolution.

The City shall, to the extent permitted by law, defend the validity and legality of the collection of the Tax Increments and any taxes contributing thereto, this Ordinance and the Resolution, and all amendments thereto against all claims, suits and proceedings which would diminish or impair the Pledged Revenues or Tax Increment Fund as security for the Bonds.

Except as specified in this Ordinance, the City has not assigned or pledged the Pledged Revenues or Tax Increment Fund in any manner which would diminish the security for the payment of the Bonds.

E. Further Assurances. At any and all times the City shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Pledged Revenues and other funds and accounts hereby pledged or assigned, or intended so to be, or which the City may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Ordinance. The City, acting by and through its officers, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of said Pledged Revenues and other funds and accounts pledged hereunder and all the rights of every Owner of any of the Bonds against all claims and demands of all Persons whomsoever.

F. Conditions Precedent. Upon the issuance of any of the 2003 Bonds, all conditions, acts and things required by the Constitution or laws of the United States, the Constitution or laws of the State, the Charter or this Ordinance to exist, to have happened, and to have been performed precedent to or in the issuance of the 2003 Bonds shall exist, have happened and have been performed, and the 2003 Bonds, together with all other obligations of the City, shall not contravene any debt or other limitation prescribed by the Constitution or laws of the United States, the Constitution or laws of the State or the Charter.

G. Records. So long as any of the 2003 Bonds remain Outstanding, proper books of record and account will be kept by the City, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Pledged Revenues and the accounts created or continued by this Ordinance.

H. Audits. The City further agrees that it will cause an audit of such books and accounts to be made by a certified public accountant, who is not an employee of the City, showing the Pledged Revenues. The City agrees to allow the Owner of any of the 2003 Bonds to review and copy such audits and reports, at the City's offices, at his request. Copies of such audits and reports will be furnished to the Purchaser.

I. Performing Duties. The City will faithfully and punctually perform or cause to be performed all duties with respect to the Pledged Revenues required by the Charter and the Constitution and laws of the State and the ordinances and resolutions of the City, including but not limited to the segregation of the Pledged Revenues as set forth in Section 14 hereof and their application to the respective accounts herein designated.

J. Other Liens. As of the date of issuance of the 2003 Bonds, there are no liens or encumbrances of any nature whatsoever on or against any of the Pledged Revenues.

K. Tax Covenant. The City covenants for the benefit of the Registered Owners of the 2003 Bonds that it will not take any action or omit to take any action with respect to the 2003 Bonds, the proceeds thereof, any other funds of the City or any facilities financed or refinanced with the proceeds of the 2003 Bonds if such action or omission (i) would cause the interest on the 2003 Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the 2003 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the 2003 Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the 2003 Bonds until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code and Colorado law have been met.

The City hereby designates the 2003 Bonds as a qualified tax-exempt obligation for purposes of Section 265(b)(3)(B) of the Tax Code.

L. City's Existence. The City will maintain its corporate identity and existence so long as any of the 2003 Bonds remain Outstanding, unless another political subdivision by operation of law succeeds to the duties, privileges, powers, liabilities, disabilities, immunities and rights of the City and is obligated by law to receive and distribute the Pledged Revenues in place of the City, without materially adversely affecting the privileges and rights of any Owner of any Outstanding 2003 Bonds.

M. Prompt Collections. The City will cause the Pledged Revenues to be collected promptly and accounted for in the accounts as herein provided.

N. Surety Bonds. Each official of the City having custody of the Pledged Revenues, or responsible for their handling, shall be fully bonded at all times, which bond shall be conditioned upon the proper application of such money.

O. Prejudicial Contracts and Action Prohibited. No contract will be entered into, nor will any action be taken, by the City by which the rights and privileges of any Owner are impaired or diminished.

Section 19. Defeasance. When the 2003 Bonds have been fully paid both as to principal and interest, all obligations hereunder shall be discharged and the 2003 Bonds shall no longer be deemed to be Outstanding for any purpose of this Ordinance, except as set forth in Section 18K hereof. Payment of any 2003 Bonds shall be deemed made when the City has placed in escrow with a Trust Bank an amount sufficient (including the known minimum yield from Governmental Obligations) to meet all requirements of principal, interest, and any prior redemption premiums on such 2003 Bonds as the same become due to maturity or a designated prior redemption date; and, if 2003 Bonds are to be redeemed prior to maturity pursuant to Section 7A hereof, when the City has given to the Registrar irrevocable written instructions to give notice of prior redemption in accordance with Section 7C hereof. The Governmental Obligations shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule agreed upon between the City and such Trust Bank at the time of creation of the escrow and shall not be callable by the issuer thereof prior to their scheduled maturities.

In the event that there is a defeasance of only part of the 2003 Bonds of any maturity, the Registrar shall, if requested by the City, institute a system to preserve the identity of the individual 2003 Bonds or portions thereof so defeased, regardless of changes in bond numbers attributable to transfers of 2003 Bonds; and the Registrar shall be entitled to reasonable compensation and reimbursement of expenses from the City in connection with such system.

Section 20. Delegated Powers. The officers of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limiting the generality of the foregoing; the printing of the 2003

Bonds and the execution of such certificates as may be required by the Purchaser, including, but not necessarily limited to, the absence and existence of factors affecting the exclusion of interest on the 2003 Bonds from gross income for federal income tax purposes.

Section 21. Events of Default. Each of the following events is hereby declared an “event of default:”

A. Nonpayment of Principal. If payment of the principal of any of the 2003 Bonds shall not be made when the same shall become due and payable at maturity or by proceedings for prior redemption; or

B. Nonpayment of Interest. If payment of any installment of interest on the 2003 Bonds shall not be made when the same becomes due and payable; or

C. Incapable to Perform. If the City shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

D. Default of Any Provision. If the City shall default in the due and punctual performance of its covenants or conditions, agreements and provisions contained in the 2003 Bonds or in this Ordinance on its part to be performed, other than those delineated in paragraphs A and B of this Section, and if such default shall continue for 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the Owners of not less than 25% in aggregate principal amount of the 2003 Bonds then Outstanding.

Section 22. Remedies. Upon the happening and continuance of any event of default as provided in Section 21 hereof, the Owner or Owners of not less than 25% in aggregate principal amount of the Outstanding Bonds, or a trustee therefor, may protect and enforce their rights hereunder by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, the appointment of a receiver (the consent of such appointment being hereby granted), injunctive relief, or requiring the City Council to act as if it were the trustee of an express trust, or any combination of such remedies. All proceedings shall be maintained for the equal benefit of all Owners of Bonds. The failure of any Owner to proceed does not relieve the City or any Person of any liability for failure to perform any duty hereunder. The foregoing rights are in addition to any other right available to the Owners of

Bonds and the exercise of any right by any Owner shall not be deemed a waiver of any other right.

Section 23. Duties Upon Default. Upon the happening of any of the events of default as provided in Section 21 of this Ordinance, the City, in addition, will do and perform all proper acts on behalf of and for the Owners of the Bonds to protect and preserve the security created for the payment of the Bonds and to insure the payment of the principal of and interest on said Bonds promptly as the same become due. Proceeds derived from the Pledged Revenues, so long as any of the Bonds herein authorized, either as to principal or interest, are Outstanding and unpaid, shall be paid into the Bond Account, pursuant to the terms hereof and to the extent provided herein, and used for the purposes herein provided. In the event the City fails or refuses to proceed as in this Section provided, the Owner or Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, after demand in writing, may proceed to protect and enforce the rights of such Owners as hereinabove provided.

Section 24. Replacement of Registrar or Paying Agent. If the City shall determine that it wishes to appoint a Registrar or Paying Agent other than the Finance Director of the City, the City may, upon notice mailed to each Owner of any 2003 Bond at his address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No subsequent resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. Every such successor Registrar or Paying Agent shall be the City or a bank or trust company having a shareowner's equity (e.g., capital, surplus, and undivided profits), however denominated, of not less than \$10,000,000. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

Section 25. Amendment. After any of the 2003 Bonds have been issued, this Ordinance shall constitute a contract between the City and the Owners of the 2003 Bonds and shall be and remain irrevocable until the 2003 Bonds and the interest thereon have been fully paid, satisfied and discharged.

A. The City may, without the consent of, or notice to the Owners of the 2003 Bonds, adopt such ordinances supplemental hereto (which supplemental amendments shall thereafter form a part hereof) for any one or more or all of the following purposes:

(1) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in this Ordinance, or to make any provisions with respect to matters arising under this Ordinance or for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the 2003 Bonds;

(2) to subject to the lien of this Ordinance additional revenues, properties or collateral;

(3) to grant or confer upon the Registrar for the benefit of the registered owners of the 2003 Bonds any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the registered owners of the 2003 Bonds; or

(4) to qualify this Ordinance under the Trust Indenture Act of 1939.

B. Exclusive of the amendatory ordinances permitted by paragraph A of this Section, this Ordinance may be amended or supplemented by ordinance adopted by the City Council in accordance with the law, without receipt by the City of any additional consideration but with the written consent of the Owners of at least 66% in aggregate principal amount of the 2003 Bonds Outstanding at the time of the adoption of such amendatory or supplemental ordinance; provided, however, that, without the written consent of the Owners of all of the 2003 Bonds adversely affected thereby, no such ordinance shall have the effect of permitting:

(1) An extension of the maturity of any 2003 Bond authorized by this Ordinance; or

(2) A reduction in the principal amount of any 2003 Bond, the rate of interest thereon, or the prior redemption premium, if any, thereon; or

(3) The creation of a lien upon or pledge of Pledged Revenues ranking prior to the lien or pledge created by this Ordinance; or

(4) A reduction of the principal amount of 2003 Bonds required for consent to such amendatory or supplemental ordinance; or

(5) The establishment of priorities as between 2003 Bonds issued and Outstanding under the provisions of this Ordinance; or

(6) The modification of or otherwise affecting the rights of the Owners of less than all of the 2003 Bonds then Outstanding.

Section 26. Redemption and Defeasance of 1996 and 1999 Bonds.

A. Exercise of Option. The City Council has elected and does hereby declare its intent to exercise on behalf and in the name of the City its option to redeem on May 15, 2004, all of the outstanding 1996 Bonds and the outstanding 1999 Bonds maturing on and after November 15, 2004. The City Council is hereby obligated so to exercise such option, which option shall be deemed to have been exercised when notice is duly given and completed forthwith prior to or upon the issuance of the 2003 Bonds as herein provided.

B. Authorization to Undertake Defeasance. The Finance Director of the City is hereby authorized and directed to take all action necessary or appropriate to effectuate the prior redemption and defeasance of the Prior Tax Increment Bonds, including but not limited to the execution of an escrow agreement pertaining thereto, the creation of an escrow account and the deposit therein of certain moneys of the City legally available therefor, and the giving of notices of prior redemption and defeasance of the Prior Tax Increment Bonds in the form and manner set forth in the 1996 Ordinance and 1999 Ordinance, respectively.

Section 27. Severability. If any one or more sections, sentences, clauses or parts of this Ordinance shall for any reason be held invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, but shall be confined in its operation to the specific sections, sentences, clauses or parts of this Ordinance so held unconstitutional or invalid, and the inapplicability and invalidity of any section, sentence, clause or part of this Ordinance in any one or more instances shall not affect or prejudice in any way the applicability and validity of this Ordinance in any other instances.

Section 28. Repealer. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revise any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 29. Ordinance Irrepealable. After any of the 2003 Bonds herein authorized are issued, this Ordinance shall constitute a contract between the City and the Owners of the 2003 Bonds, and shall be and remain irrepealable until the 2003 Bonds and interest thereon shall be fully paid, canceled and discharged as herein provided.

Section 30. Disposition of Ordinance. This Ordinance, as adopted by the City Council, shall be numbered and recorded by the City Clerk in the official records of the City. The adoption and publication shall be authenticated by the signatures of the President of the City Council and City Clerk, and by the certificate of publication.

Section 31. Effective Date. This Ordinance shall be in full force and effect 30 days after publication following final passage.

INTRODUCED, PASSED ON FIRST READING, APPROVED AND ORDERED PUBLISHED IN PAMPHLET FORM this 5th day of November, 2003.

CITY OF GRAND JUNCTION, COLORADO

/s/ Jim Spehar

President of the City Council

Attest:

/s/ Stephanie Tuin

City Clerk

INTRODUCED, PASSED ON SECOND READING, APPROVED AND ORDERED PUBLISHED IN PAMPHLET FORM this 19th day of November, 2003.

CITY OF GRAND JUNCTION, COLORADO

/s/ Jim Spehar

President of the City Council

Attest:

/s/ Stephanie Tuin

City Clerk

STATE OF COLORADO)
)
 COUNTY OF MESA) SS.
)
 CITY OF GRAND JUNCTION)

I, Stephanie Tuin, the City Clerk of the City of Grand Junction, Colorado (the “City”) and Clerk to the City Council of the City (the “Council”), do hereby certify that:

1. The foregoing pages are a true, correct and complete copy of an ordinance (the “Ordinance”) which was introduced, passed on first reading and ordered published in pamphlet form by the Council at a regular meeting thereof held on November 5, 2003 and was duly adopted and ordered published in pamphlet form by the Council at a regular meeting thereof held on November 19, 2003 which Ordinance has not been revoked, rescinded or repealed and is in full force and effect on the date hereof.

2. The Ordinance was duly moved and seconded and the Ordinance was passed on first reading at the meeting of November 5, 2003, by an affirmative vote of a majority of the members of the Council as follows:

<u>Councilmember</u>	<u>Voting “Aye”</u>	<u>Voting “Nay”</u>	<u>Absent</u>	<u>Abstaining</u>
Cindy Enos-Martinez	X			
Bruce Hill	X			
Dennis Kirtland	X			
Jim Spehar	X			
Gregg Palmer	X			
William McCurry	X			
Harry Butler	X			

3. The Ordinance was duly moved and seconded and the Ordinance was finally passed on second reading at the meeting of November 19, 2003, by an affirmative vote of a majority of the members of the Council as follows:

<u>Councilmember</u>	<u>Voting “Aye”</u>	<u>Voting “Nay”</u>	<u>Absent</u>	<u>Abstaining</u>
Cindy Enos-Martinez	X			
Bruce Hill	X			

Dennis Kirtland	X			
Jim Spehar	X			
Gregg Palmer	X			
William McCurry	X			
Harry Butler	X			

4. The members of the Council were present at such meetings and voted on the passage of such Ordinance as set forth above.

5. The Ordinance was approved and authenticated by the signature of the President of the Council, sealed with the City seal, attested by the City Clerk and recorded in the minutes of the Council.

6. There are no bylaws, rules or regulations of the Council which might prohibit the adoption of said Ordinance.

7. Notices of the meetings of November 5, 2003 and November 19, 2003 in the forms attached hereto as Exhibit A were posted at City Hall in accordance with law.

8. The Ordinance was published in pamphlet form in The Daily Sentinel, a daily newspaper of general circulation in the City, on November 7, 2003 and November 21, 2003 as required by the City Charter. True and correct copies of the affidavits of publication are attached hereto as Exhibit B.

WITNESS my hand and the seal of the City affixed this 25th day of November, 2003.

City Clerk and Clerk to the Council

(SEAL)

EXHIBIT A

(Notices of Meetings of November 5, 2003 and November 19, 2003)

**GRAND JUNCTION CITY COUNCIL
CITY HALL AUDITORIUM, 250 NORTH 5TH STREET
AGENDA**

WEDNESDAY, NOVEMBER 5, 2003, 7:30 P.M.

CALL TO ORDER

Pledge of Allegiance
Invocation - Pastor Marla Ross, First Assembly of God
Church

PROCLAMATIONS / RECOGNITIONS

2003 GOVERNOR'S AWARD FOR OUTSTANDING INDIVIDUAL CONTRIBUTION TO
COLORADO TOURISM PRESENTED TO DEBBIE FLYNN KOVALIK

PROCLAIMING NOVEMBER 11, 2003 AS "A SALUTE TO ALL VETERANS 2003 "

APPOINTMENTS

FORESTRY BOARD

GRAND JUNCTION HOUSING AUTHORITY

PLANNING COMMISSION BOARD OF APPEALS

SCHEDULED CITIZEN COMMENTS

***** CONSENT CALENDAR *****

1. **Minutes of Previous Meetings** **Attach 1**
*Action: Approve the Summary of the October 13, 2003 Noon Workshop, October
13, 2003 Workshop and the Minutes of the October 15, 2003 Regular Meeting*

2. **Setting a Hearing on Authorizing the Issuance of the City of Grand Junction, Downtown Development Authority Subordinate Tax Increment Revenue Bonds in the Amount of \$3,000,000** **Attach 2**

The ordinance authorizes the issuance of \$3,000,000 in subordinate Tax Increment Bonds for improvements in the Downtown Plan of Development area.

Proposed Ordinance Authorizing the Issuance of the City of Grand Junction, Colorado, Downtown Development Authority Tax Increment Revenue Bonds, Series 2003; Pledging the Tax Increment Revenues of the City for the Payment of the Bonds; Providing for the Payment and Discharge of the City's Outstanding Tax Increment Revenue Bonds and Subordinate Tax Increment Revenue Bonds

Action: *Introduction of Proposed Ordinance and Set a Hearing for November 19, 2003*

Staff presentation: Ron Lappi, Administrative Services Director

3. **Setting a Hearing on the Washington Annexation Located at 287 Coulson Drive** [File #ANX-2003-200] **Attach 3**

Resolution referring a petition for annexation and introduction of a proposed ordinance. The 1.317 acre Washington Annexation consists of one parcel and Unawep Avenue, Coulson Drive and Capitol Lane rights-of-way. It is in conjunction with a proposed two lot simple subdivision for single family residential use.

a. Referral of Petition, Setting a Hearing and Exercising Land Use Jurisdiction

Resolution No. 101-03 – A Resolution Referring a Petition to the City Council for the Annexation of Lands to the City of Grand Junction, Colorado, Setting a Hearing on Such Annexation and Exercising Land Use Control, Washington Annexation Located at 287 Coulson Drive and Including a Portion of Unawep Avenue, Coulson Drive and Capitol Lane Rights-of-way

Action: *Adopt Resolution No. 101-03*

b. Setting a Hearing on Proposed Ordinance

Proposed Ordinance Annexing Territory to the City of Grand Junction Colorado, Washington Annexation, Located at 287 Coulson Drive and Including a Portion of Unawep Avenue, Coulson Drive and Capitol Lane Rights-of-way, Approximately 1.317 Acres

Action: *Introduction of Proposed Ordinance and Set a Hearing for December 17, 2003*

Staff presentation: Ronnie Edwards, Associate Planner

4. **Setting a Hearing on Vacating a 15' Alley Right-of-Way Located 722 Belford Avenue** [File # VR-2003-132] **Attach 4**

The petitioner, FMC Properties, LLC, wishes to vacate an existing 15' north/south alley right-of-way located northeast of the intersection of N. 7th Street and Belford Avenue in anticipation of future commercial office development. The only utilities that are located in the alley right-of-way are a sanitary sewer line which is to be abandoned and an overhead utility line which is to be relocated. The existing eight (8) lots owned by the petitioner will be consolidated into one. The Planning Commission recommended approval at its October 28th, 2003 meeting.

Proposed Ordinance Vacating a 15' Wide Alley Right-of-way Located Northeast of the Intersection of North 7th Street and Belford Avenue Known as 722 Belford Avenue

Action: *Introduction of Proposed Ordinance and Set a Hearing for November 19, 2003*

Staff presentation: Scott D. Peterson, Associate Planner

***** END OF CONSENT CALENDAR *****

***** ITEMS NEEDING INDIVIDUAL CONSIDERATION *****

5. **2004 LEAF Grant for DUI Enforcement** **Attach 5**

The Colorado Department of Transportation has awarded \$27,000 to the Grand Junction Police Department to fund DUI enforcement. The GJPD applied for \$35,000 with Council approval in August of this year.

Resolution No. 102-03 – A Resolution Accepting a Grant and Approving the Law Enforcement Assistance Fund (LEAF) Contract #L-28-04

®Action: *Adopt Resolution No. 102-03*

Staff presentation: Greg Morrison, Chief of Police

6. **Parks Classifications and Hours** **Attach 6**

Adoption of resolution establishing park classifications and setting the hours in which public use and access to City parks is prohibited, for all City parks, open spaces and cemeteries, whether developed or not.

Resolution No. 103 -03 - A Resolution Setting Hours of Usage for the City's Parks Based on a New Classification System

®Action: *Adopt Resolution No. 103-03*

Staff presentation: Joe Stevens, Parks and Recreation Director

7. **Public Hearing – Vacating a Portion of the Right-of-Way for Gary Street and B ¾ Road** [File #PP-2003-168] **Attach 7**

The applicant has requested vacation of a portion of the rights-of-way for Gary Street and B 3/4 Road in conjunction with a subdivision request that will ultimately be developed as affordable housing.

Ordinance No. 3579 – An Ordinance Vacating a Portion of Gary Drive and B ¾ Road Located at the Northeast Corner of Linden Avenue and B ¾ Road

®Action: *Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3579*

Staff presentation: Lisa E. Cox, Senior Planner

8. **Public Hearing - Church on the Rock Annexation Located at 2170 Broadway** [File #ANX-2003-197] **Attach 8**

Resolution for acceptance of petition to annex and to hold a public hearing and consider final passage of the annexation ordinance for the Church on the Rock Annexation, located at 2170 Broadway. The 5.4946 acre annexation consists of one (1) parcel of unplatted land along with a portion of the Rio Hondo Road right-of-way. The petitioner's intent is to annex and then submit a Site Plan Review for a new church building (gymnasium) with a proposed zoning of Residential Single Family – 2 (RSF-2). The proposed annexation lies within the Persigo 201 sewer district.

a. Accepting Petition

Resolution No. 104-03 – A Resolution Accepting a Petition for Annexation, Making Certain Findings, Determining that Property Known as the Church on the Rock Annexation, Located at 2170 Broadway and Including a Portion of the Rio Hondo Road Right-of-Way is Eligible for Annexation

®Action: *Adopt Resolution No. 104-03*

b. Annexation Ordinance

Ordinance No. 3580 – An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Church on the Rock Annexation, Approximately 5.4946 Acres, Located at 2170 Broadway and Including a Portion of the Rio Hondo Road Right-of-Way

®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3580

Staff presentation: Scott D. Peterson, Associate Planner

9. **Public Hearing - Zoning the Church on the Rock Annexation, Located at 2170 Broadway** [File #ANX-2003-197] **Attach 9**

The Church on the Rock Annexation consists of 5.4946 acres of land that is located at 2170 Broadway and consists of one (1) parcel of unplatted land that contains the church sanctuary, along with a portion of the Rio Hondo Road right-of-way. The petitioner's intent is to annex and then submit a Site Plan Review for a new church building (gymnasium) with a proposed zoning of Residential Single Family – 2 (RSF-2). The Planning Commission recommended approval at its October 14, 2003 meeting.

Ordinance No. 3581 – An Ordinance Zoning the Church on the Rock Annexation to Residential Single Family – 2 (RSF-2), Located at 2170 Broadway

®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3581

Staff presentation: Scott D. Peterson, Associate Planner

10. **Public Hearing - Gowhari Annexation Located at 563 20 ½ Road** [File #GPA-2003-183] **Attach 10**

Resolution for acceptance of petition to annex and to hold a public hearing and consider final passage of the annexation ordinance for the Gowhari Annexation, located at 563 20 ½ Rd. The 25.103 acre Gowhari Annexation consists of 3 parcel(s). This annexation is part of a requested Growth Plan Amendment to change 24.503 acres on the Future Land Use Map from Rural 5-35 ac/du to Residential Low 1/2 – 2 ac/du. The Growth Plan Amendment request will be heard at a later date.

a. Accepting Petition

Resolution No. 105-03 – A Resolution Accepting a Petition for Annexation, Making Certain Findings, Determining that Property Known as the Gowhari Annexation, Located at 563 20 ½ Road, 573 20 ½ Road, 2026 S. Broadway and Including a Portion of the 20 ½ Road Right-of-Way is Eligible for Annexation

®Action: *Adopt Resolution No. 105-03*

b. Annexation Ordinance

Ordinance No. 3582 - An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Gowhari Annexation, Approximately 25.103 Acres, Located at 563 20 ½ Road, 573 20 ½ Road, 2026 S. Broadway and Including a Portion of the 20 ½ Road Right-of-Way

®Action: *Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3582*

Staff presentation: Senta Costello, Associate Planner

11. **Public Hearing - Grand Bud Annexation Located at 28 ½ Road at Hwy. 50**
[File #GPA-2003-184] **Attach 11**

Resolution for acceptance of petition to annex and to hold a public hearing and consider final passage of the annexation ordinance for the Grand Bud Annexation, located at 28 ½ Road at Highway 50. The 24.153 acre Grand Bud Annexation consists of 1 parcel. This project is part of a requested Growth Plan Amendment for the southwest 9.948 acres of the property to change the Future Land Use Map from Residential Medium 4-8 du/ac to Commercial. The Growth Plan Amendment request will be heard at a later date.

a. Accepting Petition

Resolution No. 106-03 – A Resolution Accepting a Petition for Annexation, Making Certain Findings, Determining that Property Known as the Grand Bud Annexation, Located at the Northwest Corner of 28 ½ Road and Highway 50 and Including a Portion of the 28 ½ Road Right-of-Way is Eligible for Annexation

®Action: *Adopt Resolution No.106-03*

b. Annexation Ordinance

Ordinance No. 3583 – An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Grand Bud Annexation, Approximately 24.153 Acres, Located at the Northwest Corner of 28 ½ Road and Hwy. 50 and Including a Portion of the 28 ½ Road Right-of-Way

®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3583

Staff presentation: Senta Costello, Associate Planner

12. **Public Hearing - 2nd Supplemental Appropriation Ordinance for 2003** **Attach 12**

The request is to appropriate specific amounts for several of the City's accounting funds as specified in the ordinance.

Ordinance No. 3584 – An Ordinance Making Supplemental Appropriations to the 2003 Budget of the City of Grand Junction

®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3584

Staff presentation: Ron Lappi, Administrative Services Director

13. **NON-SCHEDULED CITIZENS & VISITORS**

14. **OTHER BUSINESS**

15. **EXECUTIVE SESSION**

a. FOR THE PURPOSE OF AN UPDATE ON POSITIONS RELATIVE TO MATTERS THAT MAY BE SUBJECT TO NEGOTIATIONS, DEVELOPING STRATEGY FOR NEGOTIATIONS, AND/OR INSTRUCTING NEGOTIATORS UNDER C.R.S. SECTION 24-6-402(4)(e), RELATIVE TO LAND EASEMENTS FOR FUTURE STORM WATER IMPROVEMENTS

b. TO DISCUSS THE PURCHASE, ACQUISITION, LEASE, TRANSFER, OR SALE OF REAL, PERSONAL, OR OTHER PROPERTY INTEREST UNDER C.R.S. SECTION 24-6-402(4)(a) RELATIVE TO RIVERSIDE PARKWAY

c. FOR CONFERENCE WITH THE CITY ATTORNEY FOR THE PURPOSES OF RECEIVING LEGAL ADVICE ON THE PENDING GVIC LAWSUIT UNDER C.R. 24-6-402 (4)(c)

d. FOR DISCUSSION OF PERSONNEL MATTERS UNDER C.R.S. 24-6-D02(4)(f)(i) RELATIVE TO CITY COUNCIL EMPLOYEES

16. **ADJOURNMENT**

**GRAND JUNCTION CITY COUNCIL
CITY HALL AUDITORIUM, 250 NORTH 5TH STREET
AGENDA**

WEDNESDAY, NOVEMBER 19, 2003, 7:30 P.M.

CALL TO ORDER

Pledge of Allegiance
Invocation - Rocky Shrable, Sunrise Church of God

PRESENTATION OF CERTIFICATES OF APPOINTMENT

FORESTRY BOARD

GRAND JUNCTION HOUSING AUTHORITY

PLANNING COMMISSION BOARD OF APPEALS

PROCLAMATIONS / RECOGNITIONS

PROCLAIMING NOVEMBER 19, 2003 AS "COPD DAY"

SCHEDULED CITIZEN COMMENTS

***** CONSENT CALENDAR *****

1. **Minutes of Previous Meetings** **Attach 1**
Action: Approve the Summary of the November 3, 2003 Workshop, Minutes of the November 5, 2003 Regular Meeting and Minutes of the November 12, 2003 Special Meeting

2. **Setting a Hearing on the 2004 Annual Appropriation Ordinance** **Attach 2**

The total appropriation for all thirty-four accounting funds budgeted by the City of Grand Junction (including the Ridges Metropolitan District, Grand Junction West Water and Sanitation District, and the Downtown Development Authority) for the fiscal year beginning January 1, 2004 is \$115,484,715. Although not a planned expenditure, an additional \$2,500,000 is appropriated as a emergency reserve in the General Fund pursuant to Article X, Section 20 of the Colorado Constitution.

Proposed Annual Appropriation Ordinance Appropriating Certain Sums of Money to Defray the Necessary Expenses and Liabilities of the City of Grand Junction, Colorado, the Ridges Metropolitan District, and the Grand Junction West Water and Sanitation District for the Year Beginning January 1, 2004 and Ending December 31, 2004

Action: Introduction of Proposed Ordinance and Set a Hearing for December 3, 2003

Staff presentation: Ron Lappi, Administrative Services Director

3. **Setting a Hearing on the Bond Ordinance for Community Hospital** **Attach 3**

This is an ordinance authorizing the issuance of \$3,420,000 of hospital revenue refunding bonds on behalf of Community Hospital.

Proposed Ordinance Authorizing the Issuance and Sale of \$3,420,000 Hospital Revenue Refunding Bond (Community Hospital Project) Series 2004 of the City of Grand Junction, Colorado for the Purpose of Refunding all of the Outstanding City of Grand Junction, Colorado Hospital Revenue Refunding and Improvement Bonds (Community Hospital Corporation Project) Series 1993; Approving and Authorizing Execution of a Financing Agreement and Escrow Agreement with Respect to the Bond; Making Findings and Determinations with Respect to the Refunding Project and the Bond; Authorizing the Execution and Delivery of Related Documents; and Repealing all Action Heretofore Taken in Conflict Herewith

Action: Introduction of Proposed Ordinance and Set a Hearing for December 3, 2003

Staff presentation: Ron Lappi, Administrative Services Director

4. **Setting a Hearing on Amending the Barking Dog Ordinance** **Attach 4**

Changes are made to the elements for the prosecution of an owner who has failed to prevent a dog from disturbing the peace of another, warning requirements have been eliminated, and penalties have been increased for a first and second offense for violating any section of Article III of Chapter 6 of the Code of Ordinances.

Proposed Ordinance Repealing and Reenacting Section 6-61 of the Code of Ordinances ("Code") Concerning an Owner's Failure to Prevent a Dog From Disturbing the Peace and Quiet of Another, Repealing and Reenacting Section 6-68 of the Code Establishing the Penalties for Violating any Article of Section 6 of

Chapter 6 of the Code, and Repealing Certain Ordinances in Conflict with the Amendments

Action: Introduction of Proposed Ordinance and Set a Hearing for December 3, 2003

Staff presentation: Jamie B. Kreiling, City Staff Attorney
John P. Shaver, Assistant City Attorney

5. **City Participation in the I-70B Corridor Optimization Plan** **Attach 5**

This study is a collaborative effort between CDOT and our local agencies to establish conceptual ideas relating to the I-70B corridor.

Action: Authorizing the City Manager to Execute a Contract to Participate in the Corridor Optimization Study for I-70B and Approve the Use of \$75,000 from Contingency.

Staff presentation: Mark Relph, Public Works and Utilities Director

***** END OF CONSENT CALENDAR *****

***** ITEMS NEEDING INDIVIDUAL CONSIDERATION *****

6. **Construction Contracts** (Items a - c may be awarded under one motion)

a. **Redlands Fire Station #5 Utility Improvements** **Attach 6**

Bids were received and opened on November 4, 2003. M.A. Concrete Construction submitted the low bid in the amount of \$204,847.52. The project is a joint project with Church on the Rock that will extend an 8 inch sanitary sewer main and an 8 inch Ute Water main to Church on the Rock and Redlands Fire Station #5.

Action: Authorize City Manager to Execute a Construction Contract for the Redlands Fire Station #5 Utility Improvements with M.A. Concrete Construction in the Amount of \$204,847.52

Staff presentation: Mark Relph, Public Works and Utilities Director

b. **Redlands Fire Station #5 Construction Contract** **Attach 7**

A request for qualifications process was used to select FCI Constructors, Inc. of Grand Junction as the Construction Manager/General Contractor for Redlands

Fire Station #5. Eight proposals were submitted during February 2003. Three firms were short listed for interviews. FCI Constructors was selected over Shaw Construction of Grand Junction and TSP of Denver.

Action: Authorize the City Manager to Execute a GMP (Guaranteed Maximum Price) Contract for the Redlands Fire Station #5 with FCI Constructors, Inc. in the Amount of \$1,446,345.51

Staff presentation: Mark Relph, Public Works and Utilities Director

c. 2003 Waterline Replacement Project Change Order #1 Attach 8

Approve a change order to the 2003 Waterline Replacement Contract with MA Concrete Construction, Inc. to add the replacement of the 12" water line in 9th Street from Main Street to Grand Avenue in the amount of \$95,429.50. This work was originally scheduled to be done in 2004 but a change in the alignment of the storm sewer pipe at 9th Street necessitates the construction of the water line this year.

Action: Authorize City Manager to Execute a Contract Change Order with M.A. Construction Inc., in the Amount of \$95,429.50 for the 2003 Waterline Replacement Project

Staff presentation: Mark Relph, Public Works and Utilities Director

7. Public Hearing - Authorizing the Issuance of the City of Grand Junction, Downtown Development Authority Subordinate Tax Increment Revenue Bonds in the Amount of \$3,000,000 Attach 9

The ordinance authorizes the issuance of \$3,000,000 in subordinate Tax Increment Bonds for improvements in the Downtown Plan of Development area.

Ordinance No. 3585 – An Ordinance Authorizing the Issuance of the City of Grand Junction, Colorado, Downtown Development Authority Tax Increment Revenue Bonds, Series 2003; Pledging the Tax Increment Revenues of the City for the Payment of the Bonds; Providing for the Payment and Discharge of the City's Outstanding Tax Increment Revenue Bonds and Subordinate Tax Increment Revenue Bonds

®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3585

Staff presentation: Ron Lappi, Administrative Services Director

8. Police Department Edward Byrne Memorial Grant Program Attach 10

The Colorado Department of Public Safety through the Division of Criminal Justice has opened the 2004 Edward Byrne Memorial State and Local Law Enforcement Assistance Grant Program. The Grand Junction Police Department would like to apply for funding of the purchase of in-car video systems for all patrol cars in the fleet along with equipment to enhance video for evidentiary purposes.

Action: *Authorize the Application for Byrne Grant Funding*

Staff presentation: Greg Morrison, Chief of Police

9. **Public Hearing - Create Alley Improvement District 2004** **Attach 11**

Successful petitions have been submitted requesting an Alley Improvement District be created to reconstruct the following six alleys:

- East/West Alley from 14th to 15th, between Elm Avenue and Texas Avenue
- East/West Alley, from 2nd to 3rd, between Chipeta Avenue and Ouray Avenue
- East/West Alley from 8th to Cannell, between Mesa Avenue and Hall Avenue
- “T” shaped Alley from 13th to 15th, between Kennedy Avenue and Elm Avenue
- East/West Alley from 2nd to 3rd, between Teller Avenue and Belford Avenue
- “T” shaped Alley from 7th to Cannell, between Kennedy Avenue and Elm Avenue

Resolution No. 108-03 – A Resolution Creating and Establishing Alley Improvement District No. ST-04 within the Corporate Limits of the City of Grand Junction, Colorado, Authorizing the Reconstruction of Certain Alley, Adopting Details, Plans and Specifications for the Paving Thereon and Providing for Payment Thereof

Action: *Hold a Public Hearing and Consider Passage of Resolution No. 108-03*

Staff presentation: Mark Relph, Public Works and Utilities Director

10. **Public Hearing - Vacating a 15' Alley Right-of-Way Located 722 Belford Avenue** [File # VR-2003-132] **Attach 12**

The petitioner, FMC Properties, LLC, wishes to vacate an existing 15' north/south alley right-of-way located northeast of the intersection of N. 7th Street and Belford Avenue in anticipation of future commercial office development. The only utilities that are located in the alley right-of-way are a sanitary sewer line which is to be abandoned and an overhead utility line which is to be relocated. The existing eight (8) lots owned by the petitioner will be consolidated into one (1) 0.59 acre lot through a Simple Subdivision Plat upon the approval of the alley vacation. The Planning Commission recommended approval at its October 28th, 2003 meeting. The petitioners request approval of the Vacation Ordinance.

Ordinance No. 3586 – An Ordinance Vacating a 15' Wide Alley Right-of-way Located Northeast of the Intersection of North 7th Street and Belford Avenue Known as 722 Belford Avenue

®Action: *Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3586*

Staff presentation: Scott D. Peterson, Associate Planner

11. **Public Hearing - Gowhari Growth Plan Amendment Located at 563 & 573 20 ½ Road and 2026 S. Broadway** [File #GPA-2003-183] **Attach 13**

Request to amend the Growth Plan, changing the Future Land Use designation from “Rural” to “Residential Low” for three properties located at 2026 S. Broadway, 563 20 ½ Rd and 573 20 ½ Rd. Planning Commission recommends approval.

Resolution No. 109-03 – A Resolution Amending the City of Grand Junction Growth Plan Future Land Use Map to Re-designate 24.6 acres of the Gowhari Property Located at 2026 South Broadway, 563 20 ½ Road and 573 20 ½ Road from Rural, 5 to 35 acres per dwelling unit, to Residential Low, ½ -2 acres per dwelling unit

®Action: *Adopt Resolution No. 109-03*

Staff presentation: David Thornton, Principal Planner

12. **Public Hearing - Grand Bud Growth Plan Amendment Located at the NW Corner of 28 ½ Road and Highway 50** [File #GPA-2003-184] **Attach 14**

Request to amend the Growth Plan, changing the Future Land Use designation from Residential Medium (4-8 units per acre) to Commercial on a portion of the property located at the NW corner of 28 ½ Road and Highway 50. Staff and Planning Commission recommend denial.

Resolution No. 110-03 – A Resolution Amending the City of Grand Junction Growth Plan Future Land Use Map to Re-designate the Grand Bud Property, approximately 10 acres at the Northwest corner of 28 ½ Road and Highway 50, from Residential Medium (4 to 8 units per acre) to Commercial

®Action: *Adopt Resolution No. 110-03*

Staff presentation: Kathy Portner, Planning Manager

13. **NON-SCHEDULED CITIZENS & VISITORS**
14. **OTHER BUSINESS**
15. **EXECUTIVE SESSION** FOR DISCUSSION OF PERSONNEL MATTERS UNDER C.R.S. 24-6-402(4)(f)(I) RELATIVE TO CITY COUNCIL EMPLOYEES
16. **ADJOURNMENT**

EXHIBIT B

(Affidavits of Publication)

State PROOF OF PUBLICATION

STATE OF COLORADO

County of Mesa) ss.

Karen Sabra

NOTICE OF PUBLIC HEARING
NOTICE IS HEREBY GIVEN
THAT:

The City Council of the City of Grand Junction, Colorado, at its regular convened meeting on November 5, 2003, passed on first reading the following entitled proposed ordinance: Proposed Ordinance Authorizing the issuance of the City of Grand Junction, Colorado, Downtown Development Authority Tax Increment Revenue Bonds, Series 2003; Pledging the Tax Increment Revenues of the City for the Payment of the Bonds; Providing for the Payment and Discharge of the City's Outstanding Tax Increment Revenue Bonds and Subordinate Tax Increment Revenue Bonds and authorized the publication in pamphlet form.

NOTICE IS FURTHER GIVEN THAT the public hearing will be held November 16, 2003 at 7:30 p.m. in the City Auditorium, 250 North 5th Street, at which time public comments will be taken and considered before the final adoption of the proposed ordinance.

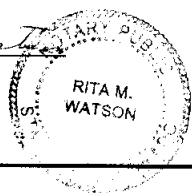
Copies of the proposed ordinance are available for public inspection in the City Clerk's Office, 250 North 5th Street, City Hall, at any time Monday through Friday between the hours of 7:30 a.m. and 5:30 p.m.

BY THE ORDER OF THE CITY COUNCIL
/s/ Stephanie Tulin
City Clerk
Published November 7, 2003

Being duly sworn, says that I am _____ Legal Secretary _____ of The Daily Sentinel a daily newspaper, published and duly printed in Grand Junction, Colorado in said County and State; that said newspaper has a general circulation in said County and has been continuously and uninterruptedly published therein, during a period of at least fifty-two consecutive weeks next prior to the first publication of the annexed notice; that said newspaper is a newspaper within the meaning of the act of the general Assembly of the State of Colorado, entitled "An Act to regulate the printing of legal notices and advertisements," and amendments thereto; that the notice of which the annexed is a printed copy taken from said newspaper, was published in said newspaper, and in the regular and entire issue of every number thereof, once a day for 1 successive day ; that said notice was so published in said newspaper proper and not in any supplement thereof, and that first publication of said notice as aforesaid, was on the 07th day of November, 2003, and the last, on the 07th day of November, 2003.

Subscribed and sworn to before me, this 11th day of November, 2003.

My Commission Expires 11/08/2005



State PROOF OF PUBLICATION

STATE OF COLORADO

County of Mesa)
) ss.

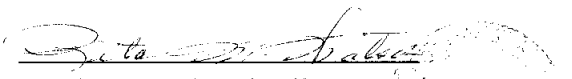
Karen Sabra

Being duly sworn, says that I am Legal Secretary of
The Daily Sentinel a daily newspaper, published and duly printed in
Grand Junction, Colorado in said County and State; that said
newspaper has a general circulation in said County and has been
continuously and uninterruptedly published therein, during a period of
at least fifty-two consecutive weeks next prior to the first publication
of the annexed notice; that said newspaper is a newspaper within the
meaning of the act of the general Assembly of the State of Colorado,
entitled "An Act to regulate the printing of legal notices and
advertisements," and amendments thereto; that the notice of which
the annexed is a printed copy taken from said newspaper, was published
in said newspaper, and in the regular and entire issue of every number
thereof, once a day for 1 successive day ;
that said notice was so published in said newspaper proper and not in
any supplement thereof, and that first publication of said notice as
aforesaid, was on the 21st day of November, 2003,
and the last, on the 21st day of November, 2003.



NOTICE OF ADOPTION OF
ORDINANCE NO. 3585
AN ORDINANCE OF THE
CITY OF GRAND JUNCTION
TO BE PUBLISHED IN
PAMPHLET FORM
NOTICE IS HEREBY GIVEN:
That on the 18th Day of Novem-
ber, 2003, at 7:30 p.m. in the
City Hall Auditorium, 350 N. 5th
Street, Grand Junction, Colo-
rado, the City Council of the City
of Grand Junction held a public
hearing, after proper notice, to
consider the final passage of an
Ordinance, the title of which is:
ORDINANCE NO. 3585
AN ORDINANCE AUTHORIZ-
ING THE ISSUANCE OF THE
CITY OF GRAND JUNCTION,
COLORADO, DOWNTOWN
DEVELOPMENT AUTHORITY
TAX INCREMENT REVENUE
BONDS, SERIES 2003;
PLEDGING THE TAX INCRE-
MENT REVENUES OF THE CITY
FOR THE PAYMENT OF THE
BONDS; PROVIDING FOR THE
PAYMENT AND DISCHARGE
OF THE CITY'S OUTSTAND-
ING TAX INCREMENT RE-
VENUE BONDS AND SUBORDI-
NATE TAX INCREMENT
REVENUE BONDS
Copies of the adopted Ordina-
nce are available for public
inspection in the office of the
City Clerk, 206 N. 5th Street,
Grand Junction, CO between
7:30 a.m. and 5:30 p.m., Mon-
day through Friday.
Stephanie Tuin, MMC
City Clerk
Published November 21, 2003

Subscribed and sworn to before me, this 21st day of November, 2003


My Commission Expires 11/08/2005