

ORDINANCE NO. 3595

AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF GRAND JUNCTION, COLORADO, GENERAL FUND REVENUE BONDS, SERIES 2004, AND PLEDGING CERTAIN REVENUES OF THE CITY FOR THE PAYMENT OF THE BONDS.

BE IT ORDAINED BY THE 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.

Additional Bonds: the one or more series of bonds or other securities or obligations authorized to be issued by the City pursuant to Section 22 and 23 hereof and having a lien on the Pledged Sales and Use Tax Revenues on a parity with the lien thereon of the 2004 Bonds.

Additional Pledged Revenues: has the meaning set forth in Section 22.A.

Bond Account: the account by that name created by Section 19 hereof.

Bond Insurer: Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company.

Bonds: the Outstanding 2004 Bonds and any Additional Bonds.

Business Day: a day on which banks located in the City and 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.

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

City: the City of Grand Junction, Colorado.

Closing Date: the date of delivery of payment for the 2004 Bonds.

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

Continuing Disclosure Certificate: the undertaking executed by officers of the City simultaneously with the delivery of the 2004 Bonds which enables the Purchasers to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

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

Election: the City's election held on November 4, 2003.

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 Council as the Fiscal Year of the City.

General Fund: the General Fund 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:

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

(ii) 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

(iii) evidences of ownership interests in obligations described in paragraph (i) or (ii) above.

Letter of Representations: the Letter of Representations between the City and The Depository Trust Company.

Maximum Annual Debt Service Requirement: the maximum amount of all required payments of principal and interest on the 2004 Bonds and on each series of Additional Bonds, respectively, which will become due in any Fiscal Year.

Maturity-Rate: Bonds which are due on the same date and bear the same interest rate.

Ordinance: this Ordinance of the City, which provides for the issuance and delivery of the 2004 Bonds.

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

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

(ii) 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

(iii) Bonds deemed to have been paid as provided in Section 25 hereof or any similar provision of an ordinance authorizing the issuance of Additional Bonds.

For purposes of this definition, the terms Registrar and Paying Agent shall include a registrar or paying agent for any Additional Bonds.

Owner or Registered Owner: the Registered Owner of any 2004 Bond as shown on the registration books kept by the Registrar, and, where the context so requires, the Registered Owner of any Additional Bond as shown on the registration books kept by the registrar for such bonds.

Paying Agent: The Bank of Cherry Creek, a branch of Western National Bank, being the agent for the City for the payment of the 2004 Bonds and interest thereon, or its successors and assigns.

Permitted Investment: any investment or deposit permitted by the Charter and ordinances of the City.

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.

Pledged Revenues:

(i) the revenues derived from the Pledged Sales and Use Tax;

(ii) all other additional monies deposited into the City's General Fund which are not by law, by contract, or otherwise restricted or required to be used for another purpose and are legally available for payment of the principal of, prior redemption premium, if any, and interest on the 2004 Bonds, provided however, that the Pledged Revenues shall not include monies deposited to the General Fund which are the proceeds of any increase in any existing tax and or any new tax, unless such pledge is expressly authorized by the City's electors at an election called for such purpose;

(iii) any additional funds or revenues which the City hereafter pledges to the payment of the 2004 Bonds;

(iv) proceeds of the 2004 Bonds or other legally available moneys deposited into and held in the Bond Account; and

(v) interest or investment income on the Bond Account;

all to the extent that such moneys are at any time required by Section 19 hereof to be deposited into and held in the Bond Account.

Pledged Sales and Use Tax: the proceeds of the Sales and Use Tax. "Pledged Sales and Use Tax" does not include amounts withheld by retailers and vendors to cover their expenses in collecting and remitting the Pledged Sales and Use Tax, and Pledged Sales and Use Tax does not include amounts collected by the City and subsequently determined, pursuant to the applicable Sales and Use Tax Ordinances, to be subject to valid claims for refunds. "Pledged Sales and Use Tax" does not include the proceeds of any increase in the Sales and Use Tax which may be approved in the future, unless such increase is expressly pledged by the City. "Pledged Sales and Use Tax" does include the proceeds derived by the City from any legally available tax or taxes or fees (other than a general ad valorem tax) which replace or supersede the Pledged Sales and Use Tax, regardless of whether such tax or taxes or fees are imposed by the City or the State or other political subdivision thereof. "Pledged Sales and Use Tax" does not include incremental sales taxes which are pledged to the payment of obligations issued pursuant to an urban renewal plan as defined in Section 31-25-103(9), Colorado Revised Statutes, a plan of development as defined in Section 31-25-802(6.4), Colorado Revised Statutes, or a value capture plan as defined in Section 43-4-508, Colorado Revised Statutes.

Pledged Sales and Use Tax Revenues: revenues derived from the Pledged Sales and Use Tax.

Policy: the financial guaranty insurance policy issued by the Bond Insurer insuring the payment when due of the principal of and interest on the 2004 Bonds as provided therein.

Project: the road improvements authorized at the Election.

Purchase Agreement: the Bond Purchase Agreement between the City and the Purchasers, executed by the Finance Director.

Purchasers: George K. Baum & Company and Kirkpatrick, Pettis, Smith, Polian Inc.

Rebate Account: the account by that name created by Section 19 hereof.

Registrar: The Bank of Cherry Creek, a branch of Western National Bank, being the agent for the City for the registration, transfer and exchange of the 2004 Bonds, or its successors.

Registrar Agreement: the Registrar Agreement between the City and the Registrar dated as of March 1, 2004.

Regular Record Date: the fifteenth day of the calendar month next preceding each interest payment date for the 2004 Bonds (other than a special interest payment date hereafter fixed for the payment of defaulted interest).

Sale Certificate: the certificate of the City authorized pursuant to the Supplemental Public Securities Act and described in Section 6 hereof.

Sales and Use Tax: the 2.75% tax upon the sale and use of goods and services which is being levied by the City pursuant to the Sales and Use Tax Ordinances and any future or amended tax levied by the City as a sales and use tax and pledged by the Council to the payment of the Bonds.

Sales and Use Tax Ordinances: the ordinances adopted by the Council of the City for the purpose of adopting and enforcing the Sales and Use Tax and which are in effect on the date of this Ordinance and as amended by this Ordinance or as later amended or supplemented.

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 7 hereof.

State: the State of Colorado.

Supplemental Public Securities Act: Part 2 of Article 57 of Title 11, Colorado Revised Statutes, as amended.

Tax Code: the Internal Revenue Code of 1986, as amended to the date of delivery of the 2004 Bonds, and the regulations promulgated thereunder.

Term Bonds: 2004 Bonds that are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such 2004 Bonds on or before their specified maturity dates.

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

2004 Bonds: the City's General Fund Revenue Bonds, Series 2004, issued pursuant to this Ordinance.

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. Section 85 of the Charter provides that indebtedness of the City shall be incurred and limited as provided in Article XI of the Colorado Constitution.

C. Article XI, Section 6 of the Colorado Constitution provides:

(i) No political subdivision of the state shall contract any general obligation debt by loan in any form, whether individually or by contract pursuant to article XIV, section 18(2)(a) of this constitution except by adoption of a legislative measure which shall be irrevocable until the indebtedness therein provided for shall have been fully paid or discharged, specifying the purposes to which the funds to be raised shall be applied and providing for the levy of a tax which together with such other revenue, assets, or funds as may be pledged shall be sufficient to pay the interest and principal of such debt. Except as may be otherwise provided by the charter of a home rule city and county, city, or town for debt incurred by such city and county, city, or town, no such debt shall be created unless the question of incurring the same be submitted to and approved by a majority of the qualified taxpaying electors voting thereon, as the term "qualified taxpaying elector" shall be defined by statute.

(ii) Except as may be otherwise provided by the charter of a home rule city and county, city, or town, the general assembly shall establish by statute limitations on the authority of any political subdivision to incur general obligation indebtedness in any form whether individually or by contract pursuant to article XIV, section 18(2)(a) of this constitution.

(iii) Debts contracted by a home rule city and county, city, or town, statutory city or town or service authority for the purposes of supplying water shall be excepted from the operation of this section.

D. Section 31-15-302(1)(d), C.R.S., limits the total amount of indebtedness of the City to 3% of the actual value of taxable property in the City except for debt incurred for supplying water.

E. The actual value of taxable property in the City is \$ 3,453,472,259.

F. There is currently no City debt outstanding which is subject to the debt limit.

G. 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.

H. The notice delivered to voters at the Election as required by Article X, Section 20 of the Colorado Constitution limits the issuance of the bonds authorized at the Election as follows:

Principal Amount of Proposed Bonds:	Not to exceed \$80,000,000
Maximum Annual City Repayment Cost:	Not to exceed \$ 7,500,000
Total City Repayment Cost:	Not to exceed \$134,000,000

I. At the Election, the City's electors approved the following question:

SHALL CITY OF GRAND JUNCTION DEBT BE INCREASED \$80,000,000, WITH A REPAYMENT COST OF \$134,000,000 (WITHOUT ANY INCREASE OF ANY EXISTING TAXES AND WITHOUT IMPOSING ANY NEW TAXES) TO PROVIDE FINANCING FOR THE PURPOSE OF ACCELERATING AND COMPLETING ROAD IMPROVEMENTS KNOWN AS THE RIVERSIDE PARKWAY (FROM 24 RD. TO 29 RD.) AND THE 29 ROAD TRANSPORTATION CORRIDOR AND PAYING COSTS OF THE FINANCING, INCLUDING RESERVES; PROVIDED THAT THE SPECIFIC TERMS OF THE DEBT, INCLUDING A

PROVISION FOR EARLY REPAYMENT WITH OR WITHOUT
A PREMIUM, AND THE PRICE AT WHICH IT WILL BE
SOLD SHALL BE DETERMINED BY THE CITY AS
NECESSARY AND PRUDENT?

J. The City imposes a Sales and Use Tax pursuant to the Charter and the Sales and Use Tax Ordinances.

K. The City has never pledged the Sales and Use Tax to the payment of any bonds or for any purpose. The Pledged Sales and Use Tax may now be pledged lawfully and irrevocably for the payment of the 2004 Bonds.

L. There have been filed with the City Clerk the proposed forms of the following documents: the Purchase Agreement, the Registrar Agreement, the Letter of Representations, and the Continuing Disclosure Certificate.

M. The Council desires to cause the 2004 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 Council and other officers of the City in the imposition and collection of the Sales and Use Tax, financing the Project, and selling and issuing the 2004 Bonds for those purposes are ratified, approved and confirmed.

Section 4. Authorization of Project. The Project is authorized at a cost not exceeding \$60,000,000 (excluding costs to be paid from sources other than the proceeds of the 2004 Bonds).

Section 5. Authorization of the 2004 Bonds. Pursuant to the Election and Section 85 of the Charter, there hereby are authorized to be issued fully registered general fund revenue securities of the City, to be designated "City of Grand Junction, Colorado, General Fund Revenue Bonds, Series 2004," to be payable and collectible, as to principal, prior redemption premium, if any, and interest, from the Pledged Revenues.

Section 6. Election to Apply Supplemental Public Securities Act to the 2004 Bonds. Pursuant to Section 11-57-204 of the Supplemental Public Securities Act, the Council hereby elects to apply the Supplemental Public Securities Act in its entirety to the 2004 Bonds. Pursuant to such election and Section 11-57-205 of the Supplemental Public Securities Act, the Council hereby delegates to the City Manager or the Finance Director the power to make the

following determinations with respect to the 2004 Bonds, without any requirement that the Council approve such determinations, subject to the parameters and restrictions contained in this Ordinance:

A. Interest Rate. The rates of interest per annum to be borne by the 2004 Bonds, provided that the total repayment cost of the 2004 Bonds and the maximum annual repayment cost of the 2004 Bonds shall not exceed the amounts authorized at the Election.

B. Purchase Price. The price at which the 2004 Bonds will be sold to the Purchasers, provided that the price shall not be less than 99% of the aggregate principal amount of the 2004 Bonds.

C. Principal Amount. The aggregate principal amount of the 2004 Bonds, provided that such principal amount shall not exceed \$60,000,000.

D. Maturity Schedule. The amount of principal of the 2004 Bonds maturing, or subject to mandatory sinking fund redemption, in any particular year, provided that it shall not to be more than \$6,600,000 annually.

E. Optional Redemption Provisions B Dates and Price. The dates on which the 2004 Bonds may be called for optional redemption, provided that the first optional redemption date of the 2004 Bonds shall not be earlier than March 1, 2014, at a redemption price not to exceed 100%.

Such determinations shall be evidenced by the Sale Certificate signed by the City Manager or the Finance Director and dated and delivered as of the Closing Date, which shall not be more than 60 days from the date of adoption of this ordinance.

Section 7. 2004 Bond Details. The 2004 Bonds shall be issued in fully registered form (i.e., registered as to both principal and interest) initially registered in the name of Cede & Co. as nominee for The Depository Trust Company, and shall be issued in the denomination of \$5,000 or any integral multiple thereof (provided that no 2004 Bond may be in a denomination which exceeds the principal coming due on any maturity date, and no individual 2004 Bond will be issued for more than one maturity). The 2004 Bonds shall be numbered in such manner as the Registrar may determine. The 2004 Bonds shall be dated as of March 1, 2004, and shall bear interest from their dated date until maturity at the rates per annum set forth in the Sale Certificate, payable semiannually on March 1 and September 1 in each year, commencing on September 1, 2004, except that any 2004 Bond which is reissued upon transfer,

exchange 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 2004 Bonds. The 2004 Bonds shall mature on the dates, or be subject to mandatory sinking fund redemption, and in the amounts set forth in the Sale Certificate.

The principal of and prior redemption premium, if any, on any 2004 Bond shall be payable to the Registered Owner thereof as shown on the registration records kept by the Registrar, upon maturity thereof and upon presentation and surrender at the Paying Agent. If any 2004 Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the same interest rate borne by said 2004 Bond until the principal thereof is paid in full. Payment of interest on any 2004 Bond shall be made by check or draft mailed by the Paying Agent, 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 of the applicable Bond 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 2004 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 2004 Bond by such alternative means as may be mutually agreed to between the Owner of such 2004 Bond and the Paying Agent (provided, however, that the City shall not be required to make funds available to the Paying Agent prior to the interest payment dates stated in this Section). 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.

Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, the 2004 Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the 2004 Bonds after their delivery for value.

Section 8. Prior Redemption.

A. The 2004 Bonds may be subject to prior redemption, at the option of the City, on the dates set forth in the Sale Certificate in whole, or in part from any Maturity-Rate, in any order of maturity and by lot within a Maturity-Rate in such manner as the City may determine (giving proportionate weight to 2004 Bonds in denominations larger than \$5,000), at the price set forth in the Sale Certificate.

B. The Term Bonds, if any, shall be subject to mandatory sinking fund redemption at the times, in the amounts and at the prices provided in the Sale Certificate.

On or before the thirtieth day prior to each such sinking fund payment date, the Registrar shall proceed to call the Term Bonds (or any Term Bond or Term Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next March 1, and give notice of such call without other instruction or notice from the City.

At its option, to be exercised on or before the sixtieth day next preceding each such sinking fund redemption date, the City may (a) deliver to the Registrar for cancellation Term Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Term Bonds of the Maturity-Rate subject to mandatory sinking fund redemption on such date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond so delivered or previously redeemed will be credited by the Registrar at the principal amount thereof on the obligation of the City on such sinking fund redemption date and the principal amount of Term Bonds to be redeemed by operation of such sinking fund on such date will be accordingly reduced. The City will on or before the sixtieth day next preceding each sinking fund redemption date furnish the Registrar with its certificate indicating whether or not and to what extent the provisions of (a) and (b) of the preceding sentence are to be availed with respect to

such sinking fund payment. Failure of the City to deliver such certificate shall not affect the Registrar's duty to give notice of sinking fund redemption as provided in this paragraph B.

C. In the case of 2004 Bonds of a denomination larger than \$5,000, a portion of such 2004 Bond (\$5,000 or any integral multiple thereof) may be redeemed, in which case the Registrar shall, without charge to the Owner of such 2004 Bond, authenticate and issue a replacement 2004 Bond or Bonds for the unredeemed portion thereof.

D. Notice of optional or mandatory sinking fund redemption by the City shall be given by the Paying Agent in the name of the City by sending a copy of such notice by first-class, postage prepaid mail, not more than 60 days and not less than 30 days prior to the redemption date to the Purchasers and to each Registered Owner of any 2004 Bond all or a portion of which is called for redemption at his address as it last appears on the registration books kept by the Registrar. Failure to give such notice by mailing to the Registered Owner of any 2004 Bond or to the Purchasers, or any defect therein, shall not affect the validity of the proceedings for the redemption of any 2004 Bonds.

All official notices of redemption shall be dated and shall state:

- (i) CUSIP numbers of 2004 Bonds to be redeemed;
- (ii) the redemption date;
- (iii) the redemption price;
- (iv) if less than all Outstanding 2004 Bonds are to be redeemed, the identification of the 2004 Bonds (and, in the case of partial redemption, the respective principal amounts and interest rate) to be redeemed;
- (v) that on the redemption date the redemption price will become due and payable upon each such 2004 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and
- (vi) the place where such 2004 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office or such other office as shall be designated by the Paying Agent.

Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the 2004 Bonds or portions of 2004 Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the 2004 Bonds or portions of 2004 Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such 2004 Bonds or portions of 2004 Bonds shall cease to bear interest. Upon surrender of such 2004 Bonds for redemption in accordance with said notice, such 2004 Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for partial redemption of any 2004 Bond, there shall be prepared for the Registered Owner a new 2004 Bond or Bonds of the same maturity and interest rate in the amount of the unpaid principal. All 2004 Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

In addition to the foregoing notice, further notice may be given by the Paying Agent in order to comply with the requirements of any registered securities depository holding the 2004 Bonds, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Notwithstanding the provisions of this section, any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the 2004 Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the 2004 Bonds called for redemption in the same manner as the original redemption notice was mailed.

Section 9. 2004 Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the Owners of any and all of the Outstanding 2004 Bonds, all of which, regardless of the time or times of their maturity, shall be of equal rank without preference, priority or distinction of any of such securities over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

Section 10. Special Obligations. All of the 2004 Bonds, together with the interest accruing thereon and any prior redemption premium, shall be payable and collectible solely out of the Pledged Revenues, which Pledged Revenues are hereby so pledged; the Owner

or Owners of the 2004 Bonds may look only to the designated special accounts herein pledged for the payment of the principal of, prior redemption premium, if any, and interest on the 2004 Bonds. The full faith and credit of the City is not pledged to the payment of the 2004 Bonds; they shall constitute special, limited obligations of the City. The City has no obligation to increase any City taxes for the purpose of paying the principal of, prior redemption premium, if any, and interest on the 2004 Bonds.

Section 11. No Pledge of Property. The payment of the 2004 Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City, except for the Pledged Revenues and other funds and accounts pledged for the payment of the 2004 Bonds. No property of the City, subject to such exception, shall be liable to be forfeited or taken in payment of the 2004 Bonds.

Section 12. No Recourse Against Officers and Agents. No civil recourse shall be available for the payment of the principal of, prior redemption premium, if any, and interest on the 2004 Bonds or for any claim based thereon or otherwise upon this Ordinance or any other ordinance pertaining hereto, against any individual member of the Council or any officer or agent of the City who acts in good faith, either directly or indirectly through the Council, or the City, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty or otherwise. By the acceptance of the 2004 Bonds and as a part of the consideration of their sale or purchase, any Person purchasing or selling such 2004 Bonds specifically waives any such recourse.

Section 13. Form of 2004 Bonds and Registration Panel. The 2004 Bonds and the registration panel shall be substantially as follows (provided that any portion of the 2004 Bond text may, with appropriate references, be printed on the back of the 2004 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)

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF MESA

CITY OF GRAND JUNCTION, COLORADO
GENERAL FUND REVENUE BOND
SERIES 2004

R- _____			\$ _____
<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
_____%		March 1, 2004	

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 and accounts 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 March 1 and September 1 of each year, commencing on September 1, 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. This bond is one of an authorized series of bonds (the “2004 Bonds”) issued pursuant to an ordinance of the Council adopted on January 7, 2004 (the “Bond Ordinance”). The 2004 Bonds are all issued under and equally and ratably secured by and entitled to the security of the Bond Ordinance. To the extent not defined herein, terms used in this bond shall have the same meanings as set forth in the Bond Ordinance. This

bond bears interest, matures, is payable, is subject to redemption prior to maturity, and is transferable as provided in the Bond Ordinance.

The principal of and prior redemption premium, if any, on this bond is payable upon presentation and surrender hereof at the principal office of the Paying Agent. 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 in the registration records of the City maintained by the Registrar at its principal office and at the address appearing thereon at the close of business on the Record Date.

Reference is made to the Bond Ordinance for the provisions, among others, with respect to the custody and application of the proceeds of the 2004 Bonds, the receipt and disposition of the Pledged Revenues, the nature and extent of the security for the 2004 Bonds, the accounts, funds or revenues pledged to the 2004 Bonds, the terms and conditions under which additional obligations payable from the Pledged Revenues or Additional Bonds payable from the Pledged Sales and Use Tax Revenues may be issued, the rights, duties and obligations of the City and the Registrar and Paying Agent, the rights of the Owners of the 2004 Bonds, the events of default and remedies, the circumstances under which any 2004 Bond is no longer Outstanding, the ability to amend the Bond Ordinance; and by the acceptance of this bond the Owner hereof assents to all provisions of the Bond Ordinance. The principal of, prior redemption premium, if any, 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.

THE 2004 BONDS ARE ISSUED PURSUANT TO AND IN FULL COMPLIANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF COLORADO, THE CHARTER OF THE CITY, AND PURSUANT TO THE BOND ORDINANCE. THE FULL FAITH AND CREDIT OF THE CITY IS NOT PLEDGED TO THE PAYMENT OF THE 2004 BONDS, AND THEY CONSTITUTE SPECIAL, LIMITED OBLIGATIONS OF THE CITY, SECURED ONLY BY THE PLEDGED REVENUES. THE CITY HAS NO OBLIGATION TO INCREASE ANY CITY TAXES FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PRIOR REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE 2004 BONDS. NEITHER THE MEMBERS OF THE CITY NOR ANY PERSONS EXECUTING THIS BOND SHALL BE PERSONALLY LIABLE FOR THIS BOND.

It is certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the City in the issuance of this bond; that it is issued pursuant to and in strict conformity with the Constitution and laws of the State, with the Charter of the City, and with the Bond Ordinance; and that this bond does not contravene any Constitutional, statutory or Charter limitation.

It is also certified, recited, and warranted that the 2004 Bonds are issued under the authority of the Bond Ordinance and the Supplemental Public Securities Act. It is the intention of the City, as expressed in the Bond Ordinance, that this recital shall conclusively impart full compliance with all of the provisions of the Bond Ordinance and shall be conclusive evidence of the validity and the regularity of the issuance of the 2004 Bonds after their delivery for value and that all of the 2004 Bonds issued are incontestable for any cause whatsoever after their delivery for value.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Registrar shall have duly executed the certificate of authentication hereon.

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

(Manual or Facsimile Signature)
President of the 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 2004 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 2004 Bonds.

THE BANK OF CHERRY CREEK, a branch of
Western National Bank,
as Registrar

Date of Authentication
and Registration:

By: _____
Authorized Officer or Employee

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

(Form of Statement of Insurance)

Financial Guaranty Insurance Policy No. _____ (the “Policy”) with respect to payments due for principal of and interest on this Bond has been issued by Ambac Assurance Corporation (“Ambac Assurance”). The Policy has been delivered to The Bank of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.

(End of Form of Statement of Insurance)

(Form of Prepayment Panel)

The following installments of principal (or portion thereof) of this bond have been prepaid in accordance with the terms of the Bond Ordinance authorizing the issuance of this bond.

<u>Date of Prepayment</u>	<u>Principal Prepaid</u>	<u>Signature of Authorized Representative of the Depository</u>
<hr/>		
<hr/>		
<hr/>		
<hr/>		

(End of Form of Prepayment Panel)

MAY BE PRINTED ON THE BACK OF THE BOND AND THE FOLLOWING STATEMENT INSERTED -- REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF; SUCH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.

(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 records of the Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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.

EXCHANGE OR TRANSFER FEES MAY BE CHARGED

(End of Form of Assignment)

Section 14. Negotiability. The Owner or Owners of the 2004 Bonds shall possess all rights enjoyed by the holders of investment securities under the provisions of the Uniform Commercial Code-Investment Securities. The principal of, prior redemption premium, if any, and interest on the 2004 Bonds shall be paid, and the 2004 Bonds shall be transferable, free from and without regard to any equities between the City and the original or any intermediate Owner of any 2004 Bonds or any setoffs or cross-claims.

Section 15. Execution and Authentication of the 2004 Bonds. The 2004 Bonds shall be executed in the name and on behalf of the City by the manual or facsimile signature of the President of the Council, shall be sealed with the corporate seal of the City or a facsimile thereof thereunto affixed, imprinted, engraved or otherwise reproduced, and shall be attested by the manual or facsimile signature of the City Clerk. Any 2004 Bond may be signed (manually or by facsimile), sealed or attested on behalf of the City by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of authentication, issuance or delivery, such person may have ceased to hold such office. The President of the Council and the Clerk may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears on any of the 2004 Bonds. Before the execution of any 2004 Bond, the President of the Council and the Clerk shall each file with the Secretary of State of the State his or her manual signature certified by him or her under oath.

The authentication certificate upon the 2004 Bonds shall be substantially in the form and tenor provided in the form of the 2004 Bonds hereinbefore provided. No 2004 Bond shall be secured hereby or entitled to the benefit hereof, nor shall any 2004 Bond be valid or obligatory for any purpose, unless the certificate of authentication, substantially in such form, has been duly executed by the Registrar and such certificate of the Registrar upon any 2004 Bond shall be conclusive evidence that such 2004 Bond has been authenticated and delivered hereunder. The 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 2004 Bonds. By authenticating any of the 2004 Bonds initially delivered pursuant to this Ordinance, the Registrar shall be deemed to have assented to the provisions of this Ordinance.

Section 16. Registration, Transfer and Exchange.

A. Except as provided in Section 17, records for the registration and transfer of the 2004 Bonds shall be kept by the Registrar, which is hereby appointed by the City as registrar (i.e., transfer agent) for the 2004 Bonds. Upon the surrender for transfer of any 2004 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 2004 Bond or Bonds of the same series, of a like aggregate principal amount and of the same Maturity-Rate, bearing a number or numbers not previously assigned. 2004 Bonds may be exchanged at the Registrar for an equal aggregate principal amount of 2004 Bonds of the series and the same Maturity-Rate of other authorized denominations. The Registrar shall authenticate and deliver a 2004 Bond or Bonds which the Registered Owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with such exchanges and transfers of 2004 Bonds, which charges (as well as any tax or other governmental charge required to be paid with respect to such exchange or transfer) shall be paid by the Registered Owner requesting such exchange or transfer.

B. Except as provided in Section 17, the Registrar shall not be required to transfer or exchange (1) any 2004 Bond or portion thereof 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 2004 Bond or portion thereof after the mailing of notice calling such 2004 Bond or any portion thereof for prior redemption, except for the unredeemed portion of the 2004 Bonds being redeemed in part.

C. The Person in whose name any 2004 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 7 hereof with respect to payment of interest; and, subject to such exception, payment of or on account of either principal or interest on any 2004 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 2004 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 2004 Bond to the extent of the sum or sums so paid.

D. If any 2004 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 2004 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 2004 Bond shall have matured or is about to become due and payable, the Registrar may direct the Paying Agent to pay such 2004 Bond in lieu of replacement.

E. The officers of the City are authorized to deliver to the Registrar fully executed but unauthenticated 2004 Bonds in such quantities as may be convenient to be held in custody by the Registrar pending use as herein provided.

F. Whenever any 2004 Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such 2004 Bond shall be promptly cancelled 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 17. Book Entry.

A. Notwithstanding any contrary provision of this Ordinance, the 2004 Bonds shall initially be evidenced by one 2004 Bond for each Maturity-Rate in which the 2004 Bonds mature in denominations equal to the aggregate principal amount of the 2004 Bonds maturing for that Maturity-Rate. Such initially delivered 2004 Bonds shall be registered in the name of "Cede & Co." as nominee for The Depository Trust Company, the securities depository for the 2004 Bonds. The 2004 Bonds may not thereafter be transferred or exchanged except:

(1) to any successor of The Depository Trust Company or its nominee, which successor must be both a "clearing corporation" as defined in Section 4-8-102(a)(5), Colorado Revised Statutes and a qualified and registered "clearing agency" under Section 17A of the Securities Exchange Act of 1934, as amended; or

(2) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or this clause (2) of this paragraph

A, or a determination by the Council that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the designation by the Council of another depository institution acceptable to the Council and to the depository then holding the 2004 Bonds, which new depository institution must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), Colorado Revised Statutes and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor new depository; or

(3) upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or clause (2) of this paragraph A, or a determination of the Council that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the failure by the Council, after reasonable investigation, to locate another qualified depository institution under clause (2) to carry out such depository functions.

B. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) of paragraph A hereof or designation of a new depository pursuant to clause (2) of paragraph A hereof, upon receipt of the Outstanding 2004 Bonds by the Bond Registrar, together with written instructions for transfer satisfactory to the Bond Registrar, a new 2004 Bond for each Maturity-Rate of the 2004 Bonds then Outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of paragraph A hereof and the failure after reasonable investigation to locate another qualified depository institution for the 2004 Bonds as provided in clause (3) of paragraph A hereof, and upon receipt of the Outstanding 2004 Bonds by the Bond Registrar, together with written instructions for transfer satisfactory to the Bond Registrar, new 2004 Bonds shall be issued in the denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the limitations of Section 16 hereof, registered in the names of such Persons, and in such authorized denominations as are requested in such written transfer instructions; however, the Bond Registrar shall not be required to deliver such new 2004 Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

C. The Council, the Bond Registrar and the Paying Agent shall be entitled to treat the Registered Owner of any Bond as the absolute Owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the Council, the Bond Registrar and the Paying Agent shall have no responsibility for transmitting payments to the beneficial owners of the 2004 Bonds held by The Depository Trust Company or any successor or new depository named pursuant to paragraph A hereof.

D. The Council, the Bond Registrar and the Paying Agent shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (1) or (2) of paragraph (A) hereof in effectuating payment of the principal amount of the 2004 Bonds upon maturity or prior redemption by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

Section 18. Delivery of 2004 Bonds and Disposition of Proceeds. When the 2004 Bonds have been duly executed by appropriate City officers and authenticated by the Registrar, the City shall cause the 2004 Bonds to be delivered to the Purchasers on receipt of the agreed purchase price. The 2004 Bonds shall be delivered in such denominations as the Purchasers shall direct (but subject to the provisions of Sections 16 and 17 hereof); and the Registrar shall initially register the 2004 Bonds in such name or names as the Purchasers shall direct.

The proceeds of the 2004 Bonds, including the accrued interest thereon, shall be deposited promptly by the City and shall be accounted for in the following manner and are hereby pledged therefor, but the Purchasers of the 2004 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 accrued interest, if any, received in respect of the 2004 Bonds shall be credited to the Bond Account to be applied to the payment of the 2004 Bonds.

(ii) All remaining proceeds of the 2004 Bonds shall be used by the City, together with any other available moneys therefor, to pay the costs of the Project, including costs incidental to the issuance of the 2004 Bonds. After payment of all costs of the Project, or after adequate provision therefor is made,

any unexpended balance of the proceeds of the 2004 Bonds shall be deposited in the Bond Account and applied to the payment of the principal of, prior redemption premium, if any, and interest on the 2004 Bonds.

Section 19. Use of Pledged Revenues. So long as any 2004 Bonds shall be Outstanding, either as to principal or interest, the Pledged Revenues shall, upon receipt by the City, be applied as follows:

A. Bond Account. First, there shall be credited from the Pledged Revenues to a special account of the City hereby created and to be known as the “City of Grand Junction Revenue Bond Account” the following amounts, provided however, that upon the issuance of Additional Bonds, the Pledged Sales and Use Tax Revenues pledged to the payment of each respective series of Bonds shall be credited concurrently:

(1) Interest Payments. Monthly, commencing on the first day of the first month following the date of delivery of any of the Bonds, or commencing on the first day of the month six months next prior to the first interest payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding.

(2) Principal Payments. Monthly, commencing on the first day of the first month following the date of delivery of any of the Bonds, or commencing on the first day of the month one year next prior to the first principal payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next installment of principal of the Bonds coming due at maturity, or pursuant to mandatory sinking fund redemption as provided in Section 8.B. hereof, if any.

If prior to any interest payment date or principal payment date there has been accumulated in the Bond Account the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in subparagraph (1) or (2) (whichever is applicable) of this paragraph, may be appropriately reduced; but the required monthly amounts again shall be so credited to such account commencing on such interest

payment date or principal payment date. 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 become due.

B. Termination of Deposits upon Maturity or Redemption Date. No payment need be made into the Bond Account if the amount therein 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 unaccrued requirements, 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 used as provided in Paragraphs D and E of this Section.

C. Rebate Account. Third, there shall be deposited in a special account of the City hereby created and to be known as the “City of Grand Junction General Fund Revenue Bonds, Series 2004, 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. Upon the issuance of Additional Bonds, the City shall create sub-accounts in the Rebate Account.

D. Payment for Subordinate Obligations. After the payments required by Paragraphs A and C 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 Bonds hereafter authorized to be issued, including reasonable reserves therefor.

E. 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.

Nothing in this Ordinance shall prevent the City from making refunds of amounts collected by the City and subsequently determined, pursuant to the applicable Sales and Use Tax Ordinances, to be subject to valid claims for refunds.

Section 20. General Administration of Accounts. The accounts designated in Section 19 hereof shall be administered as follows, subject to the limitations stated in Section 24.K. hereof:

A. Budget and Appropriation of Accounts. The sums provided to make the payments specified in Section 19 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 Council in each year respectively while any of the 2004 Bonds, either as to principal or interest, are Outstanding and unpaid. No provision of any constitution, statute, charter, ordinance, resolution, or other order or measure enacted after the issuance of the 2004 Bonds shall in any manner be construed as limiting or impairing the obligation of the City to keep and perform the covenants contained in this Ordinance so long as any of the 2004 Bonds remain Outstanding and unpaid. Nothing herein shall prohibit the Council, at its sole option, from appropriating and applying other funds of the City legally available for such purpose to the Bond Account for the purpose of providing for the payment of the principal of, prior redemption premium, if any, and interest on the 2004 Bonds.

B. Places and Times of Deposits. Each of the special accounts created in Section 19 hereof 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 19 of this Ordinance 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 20.C. and Section 20.E. 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 24.K. 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 20.C. 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 20.C. hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

Section 21. Pledge Securing the 2004 Bonds.

The Pledged Revenues and any moneys and securities paid or to be paid to or held or to be held in the Bond Account designated in Section 19 hereof are hereby pledged to secure the payment of the principal of, prior redemption premium, if any, and interest on the 2004 Bonds, subject only to moneys and securities held in the Rebate Account, to the extent such amounts are required to be paid to the

United States. The pledge of the Pledged Sales and Use Tax Revenues (as part of the Pledged Revenues) to secure the payment of the principal of, prior redemption premium, if any, and interest on the 2004 Bonds is on a parity with the pledge of the Pledged Sales and Use Tax Revenues for and lien thereon of any Additional Bonds hereafter issued, as provided herein. This pledge of the Pledged Revenues shall be valid and binding from and after the date of the delivery of the 2004 Bonds, and the Pledged Revenues received by the City and hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act. The lien of this pledge of the Pledged Revenues shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City irrespective of whether such parties have notice thereof. The lien of this pledge on the Pledged Revenues and the obligation to perform the contractual provisions made herein shall have priority over any or all other obligations and liabilities of the City, except with respect to any parity lien on the Pledged Sales and Use Tax Revenues which may be pledged to Additional Bonds hereafter authorized, as provided herein.

Section 22. Additional Bonds.

A. Limitations Upon Issuance of Additional Bonds. Nothing in this Ordinance shall prevent the issuance by the City of additional bonds or other obligations payable from and constituting a lien upon the Pledged Sales and Use Tax Revenues on a parity with the lien thereon of the 2004 Bonds (the "Additional Bonds"). Such Additional Bonds may be payable solely from Pledged Sales and Use Tax Revenues or they may be payable from Pledged Sales and Use Tax Revenues and another revenue or fund of the City ("Additional Pledged Revenues"). Regardless of whether payable solely from Pledged Sales and Use Tax Revenues or from Pledged Sales and Use Tax Revenues and Additional Pledged Revenues, such bonds or other obligations may be issued only if for the Fiscal Year immediately preceding the issuance of any Additional Bonds, the amount of Pledged Sales and Use Tax Revenues in such Fiscal Year equaled or exceeded 175% of the Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Additional Bonds proposed to be issued. For the purpose of satisfying the aforementioned 175% test, any sales and use tax, now existing or hereafter imposed, which legally becomes a part of the Pledged Sales and Use Tax Revenues during the Fiscal Year preceding the issuance of Additional Bonds, or any tax which is to legally become a part of the Pledged Sales and Use Tax Revenues immediately prior to the issuance of Additional

Bonds, or any increase in the rate of any tax which is a part of the Pledged Sales and Use Tax Revenues which increase is imposed during the Fiscal Year preceding the issuance of Additional Bonds or any such increase which is to be imposed immediately prior to the issuance of Additional Bonds can be considered for its estimated effect on the amount of the Pledged Sales and Use Tax Revenues as if such tax or increase had been in effect for the Fiscal Year immediately preceding the issuance of such Additional Bonds. Any tax which is no longer in effect at the time of issuance of the Additional Bonds shall not be considered for purposes of satisfying such tests.

B. Certificate of Revenues. A written certification by an officer or employee of the City that the requirements of Paragraph A of this section have been met shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver said Additional Bonds with a pledge of the Pledged Sales and Use Tax Revenues on a parity with the pledge thereof to the 2004 Bonds herein authorized.

C. Superior Pledged Sales and Use Tax Revenue Obligations Prohibited. Nothing in this Ordinance shall be construed so as to permit the City to hereafter issue obligations payable from the Pledged Sales and Use Tax Revenues having a lien thereon prior or superior to the 2004 Bonds.

D. Subordinate Pledged Sales and Use Tax Revenue Obligations Permitted. Nothing in this Ordinance shall be construed in such a manner as to prevent the issuance by the City of additional obligations payable from and constituting a lien upon the Pledged Sales and Use Tax Revenues subordinate or junior to the lien of the 2004 Bonds.

E. Superior, Parity, and Subordinate Revenue Obligations Permitted. Nothing in this Ordinance shall be construed in such a manner as to prevent the issuance by the City of additional obligations payable from and constituting a lien upon any of the Pledged RevenuesB specifically excluding therefrom the Pledged Sales and Use Tax Revenues, superior to, on a parity with, or subordinate or junior to the lien thereon of the 2004 Bonds.

Section 23. Refunding Obligations.

A. Generally. If at any time after the 2004 Bonds, or any part thereof, shall have been issued and remain Outstanding, the City shall find it desirable to refund any Outstanding Bonds, or any part thereof, such Bonds, or any part thereof, may be refunded, subject to the provisions of Paragraph B of this Section, if (1) the Bonds 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 Bonds to be refunded consent to such surrender and payment.

B. Protection of Obligations Not Refunded. Any refunding obligations payable from the Pledged Revenues or from the Pledged Sales and Use Tax Revenues and any Additional Pledged Revenues shall be issued with such details as the 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 Bonds payable from the Pledged Revenues or the Pledged Sales and Use Tax Revenues and any Additional Pledged Revenues; but so long as any Bonds are Outstanding, refunding obligations payable from the Pledged Sales and Use Tax 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 Not Increased. 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 Sales and Use Tax Revenues is not raised to a higher priority than the lien thereon of any Bonds thereby refunded; or

(3) Earnings Test. The refunding obligations are issued in compliance with Paragraphs A and B of Section 22 hereof.

Section 24. Protective Covenants. The City hereby additionally represents, covenants, and agrees with each and every Owner of the 2004 Bonds that:

A. Use of 2004 Bond Proceeds. The City will proceed with the Project without delay and with due diligence.

B. Payment of 2004 Bonds. The City will promptly pay the principal of, prior redemption premium, if any, and interest on every 2004 Bond issued hereunder and secured hereby on the dates and in the manner specified herein and in said 2004 Bonds according to the

true intent and meaning hereof. Such principal of, prior redemption premium, if any, and interest on the 2004 Bonds is payable solely from the Pledged Revenues.

C. Amendment of Certain Ordinances; Duty to Impose Sales and Use Tax; Impairment of Contract. The Sales and Use Tax Ordinances are in full force and effect and have not been repealed or amended. The City will not repeal or amend said Sales and Use Tax Ordinances in any manner which would diminish the proceeds of the Pledged Sales and Use Tax by an amount which would materially adversely affect the rights of the Owners of the 2004 Bonds.

Notwithstanding any other provision of this Section or this Ordinance, the City shall retain the right to make changes, without any consent of 2004 Bond Owners, in the Sales and Use Tax Ordinances, or any ordinance supplemental thereto or in substitution therefor, concerning the use of proceeds of the Pledged Sales and Use Tax remaining after the current requirements of all ordinances authorizing bonds or other securities payable from the Pledged Sales and Use Tax, or any portion thereof, have been met; or concerning changes in applicability, exemptions, administration, collection, or enforcement of the Sales and Use Tax, if such changes do not materially adversely affect the security for the 2004 Bonds.

The foregoing covenants are subject to compliance by the City with orders of courts of competent jurisdiction concerning the validity, constitutionality or collection of such tax revenues, any legislation of the United States or the State or any regulation or other action taken by the federal government, any State agency or any political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action applies to the City as a Colorado home rule city and limits or otherwise inhibits the amount of such tax revenues due to the City. All of the Pledged Sales and Use Tax Revenues shall be subject to the payment of the principal of, prior redemption premium, if any, and interest on all Bonds payable from the Pledged Sales and Use Tax Revenues, including reserves therefor, as provided herein or in any instrument supplemental or amendatory hereof.

D. Defense of Legality of Pledged Revenues. 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, or the Sales and Use Tax Ordinances or the imposition and collection

of the Sales and Use Tax, any of the City's obligations under this Ordinance or any of the transactions contemplated by this Ordinance or the Sales and Use Tax Ordinances.

The City shall, to the extent permitted by law, defend the validity and legality of this Ordinance, the Sales and Use Tax and the Sales and Use Tax Ordinances against all claims, suits and proceedings which would diminish or impair the Pledged Revenues. Furthermore, the City shall amend from time to time the provisions of any ordinance or resolution of the City, as necessary to prevent impairment of the Pledged Revenues as required to meet the principal of, prior redemption premium, if any, and interest on the 2004 Bonds when due.

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 and to comply with any instrument of the City amendatory thereof, or supplemental thereto and the Charter. The City, acting by and through the Council, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and other funds and accounts pledged hereunder and all the rights of every Owner of any of the 2004 Bonds against all claims and demands of all Persons whomsoever.

F. Conditions Precedent. Upon the issuance of any of the 2004 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 2004 Bonds shall exist, have happened and have been performed, and the 2004 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 of the City.

G. Maintenance of Records. So long as any of the 2004 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 by this Ordinance. Upon the issuance

of any series of Additional Bonds, the City shall keep proper books of record and account showing complete and correct entries of all transactions relating to the Pledged Sales and Use Tax Revenues and accounts created or continued pursuant to the ordinance authorizing the issuance of such series of Additional Bonds.

H. Audits Required. The City further agrees that it will, within 210 days following the close of each Fiscal Year, 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 2004 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 Purchasers and the Bond Insurer.

I. Performing Duties. The City will faithfully and punctually perform 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 proper collection and enforcement of the Sales and Use Taxes and the segregation of the Pledged Revenues and their application to the respective accounts herein designated.

J. Other Liens. As of the date of issuance of the 2004 Bonds, there are no liens or encumbrances of any nature whatsoever on or against any of the Pledged Revenues on a parity with or superior to the lien thereon of the 2004 Bonds.

K. Tax Covenant. The City covenants for the benefit of the Registered Owners of the 2004 Bonds that it will not take any action or omit to take any action with respect to the 2004 Bonds, the proceeds thereof, any other funds of the City or any facilities financed with the proceeds of the 2004 Bonds if such action or omission (i) would cause the interest on the 2004 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 2004 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 2004 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 2004 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.

L. Corporate Existence. The City will maintain its corporate identity and existence so long as any of the 2004 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 2004 Bonds.

M. Performance of Duties. The City will faithfully and punctually perform or cause to be performed all duties with respect to the Pledged Revenues required by the laws of the State and the resolutions of the City, including without limitation the proper segregation of the Pledged Revenues as set forth in Section 19 hereof and their application to the respective accounts as herein provided.

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

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.

P. Continuing Disclosure. The City further covenants for the benefit of the Owners of the Bonds to comply with the Continuing Disclosure Certificate.

Q. Insurer Access. The City will permit the Bond Insurer to discuss the affairs, finances and accounts of the City or any information the Bond Insurer may reasonably request regarding the security for the 2004 Bonds with appropriate officers of the City. The City will permit the Bond Insurer to have access to and make copies of all books and records relating to the 2004 Bonds at any reasonable time.

Section 25. Defeasance. When the 2004 Bonds have been fully paid both as to principal and interest have been paid, all obligations hereunder shall be discharged and the 2004 Bonds shall no longer be deemed to be Outstanding for any purpose of this Ordinance, except as set forth in Section 24.K. hereof. Payment of any 2004 Bond 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 2004 Bond as the same become due to maturity or a designated prior redemption date; and, if any 2004 Bond is to be redeemed prior to maturity pursuant to Section 8.A. hereof, when the City has given to the Registrar irrevocable written instructions to give notice of prior redemption in accordance with Section 8.D. 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 prior to their scheduled maturities by the issuer thereof.

Notwithstanding anything herein to the contrary, in the event that the principal of and/or interest due on the 2004 Bonds shall be paid by the Bond Insurer pursuant to the Policy, the 2004 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City, and the assignment and pledge of the Pledged Revenues and all covenants, agreements and other obligations of the City to the Owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

In the event that there is a defeasance of only part of the 2004 Bonds of any maturity, the Registrar shall, if requested by the City, institute a system to preserve the identity of the individual 2004 Bonds or portions thereof so defeased, regardless of changes in bond numbers attributable to transfers and exchanges of 2004 Bonds; and the Registrar shall be entitled to reasonable compensation and reimbursement of expenses from the City in connection with such system.

Section 26. Delegated Powers. The officers of the City shall be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance. The form, terms and provisions of the Registrar Agreement, the Letter of Representations, the Continuing Disclosure Certificate, and the Purchase Agreement hereby are approved, and the City shall enter into and perform its obligations under the Registrar Agreement, the Letter of Representations, the Continuing Disclosure Certificate, and the Purchase Agreement in the forms of each of such documents previously filed with only such changes therein as are not inconsistent herewith or, with respect to the Purchase Agreement, with such changes as may be approved by the City Manager or Finance Director subject to the parameters and restrictions contained in this Ordinance; and the President of the Council is

hereby authorized and directed to execute the Registrar Agreement, the Letter of Representations, the Continuing Disclosure Certificate, and the Purchase Agreement. The City Manager or Finance Director is hereby authorized and directed to execute and deliver the Sale Certificate and to determine and approve the final determinations contained therein for the 2004 Bonds. The City Clerk is hereby authorized to execute and to affix the seal of the City to the Registrar Agreement, and the Purchase Agreement, and the City Manager and Finance Director and the City Clerk are further authorized to execute and authenticate such other documents, instruments or certificates as are deemed necessary or desirable by bond counsel in order to issue and secure the 2004 Bonds. Such documents are to be executed in substantially the forms hereinabove approved, provided that such documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Ordinance. Copies of all of the documents shall be delivered, filed and recorded as provided therein.

The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate for their completion, deletions therefrom and additions thereto as may be approved by bond counsel prior to the execution of the documents. The execution of any instrument by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval by the City of such instrument in accordance with the terms hereof.

The proper officers of the City are hereby authorized and directed to prepare and furnish to bond counsel certified copies of all proceedings and records of the City relating to the 2004 Bonds and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof as such facts appear from the books and records in such officers' custody and control or as otherwise known to them.

Section 27. 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 2004 Bonds in connection therewith, 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 2004 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 2004 Bonds or in this Ordinance on its part to be performed, other than those delineated in Paragraphs A and B of this Section and Section 24.P. hereof, 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 2004 Bonds then Outstanding.

Section 28. Remedies. Upon the happening and continuance of any event of default as provided in Section 27 hereof, the Owner or Owners of not less than 25% in principal amount of the Outstanding 2004 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 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. 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 29. Duties Upon Default. Upon the happening of any of the events of default as provided in Section 27 of this Ordinance, the City, in addition, will do and perform all proper acts on behalf of and for the Owners of the 2004 Bonds to protect and preserve the security created for the payment of the 2004 Bonds and to insure the payment of the principal of, prior redemption premium, if any, and interest on said 2004 Bonds promptly as the same become due. Proceeds derived from the Pledged Revenues, so long as any of the 2004 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 2004

Bonds then Outstanding, after demand in writing, may proceed to protect and enforce the rights of such Owners as hereinabove provided.

Section 30. Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the City shall reasonably determine that said Registrar or Paying Agent has become incapable of performing its duties hereunder, the City may, upon notice mailed to the Bond Insurer and each Owner of any 2004 Bond at his address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or removal 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 Commercial Bank or Trust Bank. The Bond Insurer shall be given written notice of any resignation or removal and the appointment of a successor thereto. 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 31. 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 32. 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 revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 33. Amendment. After any of the 2004 Bonds have been issued, this Ordinance shall constitute a contract between the City and the holders of the Bonds and shall be and remain irrevocable until the Bonds and the interest thereon have been fully paid, satisfied and discharged except as otherwise provided in this Section.

A. The City may, without the consent of, or notice to the Owners of the 2004 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 adversely affect the interests of the Owners of the 2004 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 Bonds any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Registered Owners of the 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 Council in accordance with the law, without receipt by the City of any additional consideration but with the written consent of the Owners of 66% in aggregate principal amount of the 2004 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 2004 Bonds adversely affected thereby, no such Ordinance shall have the effect of permitting:

(1) An extension of the maturity of any 2004 Bond authorized by this Ordinance; or

(2) A reduction in the principal amount of any 2004 Bond or the rate of interest thereon, or the prior redemption premium 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 2004 Bonds required for consent to such amendatory or supplemental ordinance; or

(5) The establishment of priorities as between 2004 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 2004 Bonds then Outstanding.

Section 34. Approval of Official Statement. The preparation, distribution and use of Preliminary Official Statement relating to the 2004 Bonds is hereby authorized. The President of the Council or Finance Director is authorized and directed to approve, on behalf of the City, a final Official Statement for use in connection with the offering and sale of the 2004 Bonds. The execution of a final Official Statement by the President of the Council or Finance Director shall be conclusively deemed to evidence the approval of the form and contents thereof by the City.

Section 35. Additional Provisions Concerning Bond Insurer.

A. Notwithstanding any other provision of this Ordinance, the Bond Insurer shall be deemed to be the sole Owner of all 2004 Bonds insured by the Bond Insurer: (i) at all times for the purpose of the execution and delivery of any supplemental ordinance or any amendment, supplement or change to or modification of the Ordinance, removal of the Paying Agent and selection and appointment of a successor paying agent or the initiation or approval by the Owners of the 2004 Bonds of any action which under this Ordinance requires the approval or consent of or can be initiated by the Owners of any stated proportion or percentage in aggregate principal amount of the 2004 Bonds at the time Outstanding; and (ii) following an event of default hereunder, for all other purposes.

B. Any provisions of this Ordinance expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer. The Bond Insurer reserves the right to charge the City a fee for any consent or amendment to the Ordinance while the Policy is outstanding.

C. To the extent permitted by law, any reorganization or liquidation plan with respect to the City must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation of the City, the Bond Insurer shall have the right to vote on behalf of all Owners of 2004 Bonds absent a default by the Bond Insurer under the Policy.

D. Anything in this Ordinance to the contrary notwithstanding, absent a default by the Bond Insurer under the Policy, upon the occurrence and continuance of an event of default hereunder, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of 2004 Bonds or the Paying Agent for the benefit of the Owners of 2004 Bonds under this Ordinance.

E. The Bond Insurer shall have the right to direct an accounting at the City's expense, and the City's failure to comply with such direction within thirty (30) days after receipt of the written notice of the direction from the Bond Insurer shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any Owner of the 2004 Bonds.

Section 36. Rights of the Bond Insurer Terminate Upon Default Under Policy. Notwithstanding any other provision hereof, any rights granted to or conferred upon the Bond Insurer hereunder shall be in effect only so long as the Bond Insurer is not in default in its payment obligation under the Policy, and upon any such default by the Bond Insurer, its rights hereunder shall terminate (except to the extent of subrogation for any payments under the Policy theretofore made by the Bond Insurer); provided, however, that such rights shall be reinstated when the Bond Insurer has cured such default under the Policy.

Section 37. Notices and Reports to be Given to the Bond Insurer. The Paying Agent shall give the Bond Insurer (Attn: Surveillance Department) copies of any notice to be given by it to the Owners of 2004 Bonds, including, without limitation, notice of any redemption of or defeasance of 2004 Bonds. The City shall give to the Bond Insurer (Attn: Surveillance Department) any certificate delivered by the City pursuant to this Ordinance relating to the security for the 2004 Bonds. Notwithstanding any other provision of this Ordinance, the Paying Agent shall promptly notify the Bond Insurer (Attn: General Counsel Office) if at any time there are insufficient moneys to make any payments of principal and/or interest as required hereunder and promptly upon the occurrence of any other event of default hereunder. The Paying Agent shall also notify the Bond Insurer (Attn: General Counsel Office) of the City's failure to provide the Paying Agent with any notice, certificate or other item required to be given to the Paying Agent hereunder.

Section 38. Payment Procedure Pursuant to the Policy. As long as the Policy shall be in full force and effect, the City and the Paying Agent agree to comply with the following provisions:

A. At least one (1) day prior to all interest payment dates, the Paying Agent will determine whether there will be sufficient funds in the Bond Account to pay the principal of

or interest on the 2004 Bonds on such interest payment date. If the Paying Agent determines that there will be insufficient funds in such account, the Paying Agent shall so notify the Bond Insurer. Such notice shall specify the amount of the anticipated deficiency, the 2004 Bonds to which such deficiency is applicable, and whether such 2004 Bonds will be deficient as to principal or interest, or both. If the Paying Agent has not so notified the Bond Insurer at least one (1) day prior to an interest payment date, the Bond Insurer will make payments of principal or interest due on the 2004 Bonds on or before the first (1st) day next following the date on which the Bond Insurer shall have received notice of nonpayment from the Paying Agent.

B. The Paying Agent shall, after giving notice to the Bond Insurer as provided in (a) above, make available to the Bond Insurer and, at the Bond Insurer's direction, to The Bank of New York, in New York, New York, as insurance trustee for the Bond Insurer or any successor insurance trustee (the "Insurance Trustee"), the registration books of the City maintained by the Registrar and all records relating to the accounts maintained under this Ordinance.

C. The Paying Agent shall provide the Bond Insurer and the Insurance Trustee with a list of Owners of 2004 Bonds entitled to receive principal or interest payments from the Bond Insurer under the terms of the Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the Owners of 2004 Bonds entitled to receive full or partial interest payments from the Bond Insurer and (ii) to pay principal upon 2004 Bonds surrendered to the Insurance Trustee by the Owners of 2004 Bonds entitled to receive full or partial principal payments from the Bond Insurer.

D. The Paying Agent shall, at the time it provides notice to the Bond Insurer pursuant to (a) above, notify Owners of 2004 Bonds entitled to receive the payment of principal or interest thereon from the Bond Insurer (i) as to the fact of such entitlement, (ii) that the Bond Insurer will remit to them all or a part of the interest payments next coming due upon proof of Owner entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the Owner's right to payment, (iii) that should they be entitled to receive full payment of principal from the Bond Insurer, they must surrender their 2004 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such 2004 Bonds to be registered in the name of the Bond Insurer) for payment to the Insurance Trustee, and not

the Paying Agent and (iv) that should they be entitled to receive partial payment of principal from the Bond Insurer, they must surrender their 2004 Bonds for payment thereon first to the Paying Agent who shall note on such 2004 Bonds the portion of the principal paid by the Paying Agent and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

E. In the event that the Paying Agent has notice that any payment of principal of or interest on a 2004 Bond which has become Due for Payment and which is made to an Owner by or on behalf of the City has been deemed a preferential transfer and theretofore recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Paying Agent shall, at the time the Bond Insurer is notified pursuant to (a) above, notify all Owners that in the event that any Owner's payment is so recovered, such Owner will be entitled to payment from the Bond Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Paying Agent shall furnish to the Bond Insurer its records evidencing the payments of principal of and interest on the 2004 Bonds which have been made by the Paying Agent and subsequently recovered from Owners and the dates on which such payments were made.

F. In addition to those rights granted the Bond Insurer under this Ordinance, the Bond Insurer shall, to the extent it makes payment of principal of or interest on the 2004 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Paying Agent shall note the Bond Insurer's rights as subrogee on the registration books of the City maintained by the Registrar upon receipt from the Bond Insurer of proof of the payment of interest thereon to the Owners of the 2004 Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Paying Agent shall note the Bond Insurer's rights as subrogee on the registration books of the City maintained by the Registrar upon surrender of the 2004 Bonds by the Owners thereof together with proof of the payment of principal thereof.

Section 39. Bond Insurer as Third Party Beneficiary To the extent that this Ordinance confers upon or gives or grants to the Bond Insurer any right, remedy or claim under or by reason of this Ordinance, the Bond Insurer is hereby explicitly recognized as being a third-

party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 40. Disposition of Ordinance. This Ordinance, as adopted by the 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 Council and City Clerk, and by the certificate of publication.

Section 41. 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 January 7, 2004.

CITY OF GRAND JUNCTION, COLORADO

President of the Council

Attest:

City Clerk

INTRODUCED, PASSED ON SECOND READING, APPROVED AND
ORDERED PUBLISHED IN PAMPHLET FORM January 21, 2004.

CITY OF GRAND JUNCTION, COLORADO

President of the Council

Attest:

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 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 January 7, 2004 and was duly adopted and ordered published in pamphlet form by the Council at a regular meeting thereof held on January 21, 2004 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 January 7, 2004, 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 January 21, 2004, 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 January 7, 2004 and January 21, 2004 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 January 9, 2004 and January 23, 2004 as required by the City Charter. Notice of the hearing on the Ordinance was published on January 9, 2004. 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 23rd day of January, 2004.

City Clerk and Clerk to the Council

(SEAL)

EXHIBIT A

(Attach Notices of Meetings of January 7, 2004 and January 21, 2004)

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

WEDNESDAY, JANUARY 7, 2004, 7:30 P.M.

CALL TO ORDER

Pledge of Allegiance

Invocation – Michael Torphy, Religious Science Church

PRESENTATION OF CERTIFICATES OF APPOINTMENT

TO VISITOR AND CONVENTION BUREAU BOARD OF DIRECTORS

PROCLAMATIONS / RECOGNITIONS

PROCLAIMING “100TH ANNIVERSARY” FOR THE EAGLES LODGE

PROCLAIMING JANUARY 16TH AS “ROCKY MOUNTAIN HEALTH PLANS DAY”

*****APPOINTMENTS**

TO HISTORIC PRESERVATION BOARD

SCHEDULED CITIZEN COMMENTS

*** Tyler Peck, Ice Fishing Restrictions at Juniata Reservoir

***** CONSENT CALENDAR ***®**

1. **Minutes of Previous Meeting**

Attach 1

Action: Approve the Minutes of the December 17, 2003 Regular Meeting

2. **Meeting Schedule and Posting of Notices**

Attach 2

State Law requires an annual designation of the City's official location for the posting of meeting notices. The City's Code of Ordinances, Sec. 2-26, requires

the meeting schedule and the procedure for calling special meetings to be determined annually by resolution.

Resolution No. 01-04 – A Resolution of the City of Grand Junction Designating the Location for the Posting of the Notice of Meetings and Establishing the City Council Meeting Schedule

®Action: *Adopt Resolution No. 01-04*

Staff presentation: Stephanie Tuin, City Clerk

3. **Setting a Hearing on Issuing Bonds for the Riverside Parkway** **Attach 3**

The City voters overwhelmingly approved the issuance of bonds up to \$80 million at the November 4, 2003 election. This debt is specifically approved for the construction of the Riverside Parkway from 24 Road to 29 Road, together with appropriate connections where needed and the completion of the 29 Road Corridor and new Interchange at 29 Road and I-70.

Proposed Ordinance Authorizing the Issuance of City of Grand Junction, Colorado, General Fund Revenue Bonds, Series 2004, and Pledging Certain Revenues of the City for the Payment of the Bonds

Action: *Introduction of Proposed Ordinance and Set a Hearing for January 21, 2004*

Staff presentation: Ron Lappi, Administrative Services and Finance Director

4. **Setting a Hearing on the Valley Meadows North Rezone Located at the North End of Kapota Street** [File # RZP-2003-153] **Attach 4**

Introduction of a proposed ordinance to rezone the Valley Meadows North property, located at the north end of Kapota Street, from the RSF-R, Residential Single Family Rural to RSF-4, Residential Single Family-4.

Proposed Ordinance Rezoning the Valley Meadows North property, located at the north end of Kapota Street, from Residential Single Family Rural (RSF-R) to Residential Single Family-4 (RSF-4)

Action: *Introduction of Proposed Ordinance and Set a Hearing for January 21, 2004*

Staff presentation: Lisa E. Cox, Senior Planner

5. **Setting a Hearing on the Amending Ordinance No. 3582 Gowhari Annexation Located at 563 20 ½ Road** [File # GPA-2003-183] **Attach 5**

Amending Ordinance No. 3582 for the Gowhari Annexation. The legal description in Ordinance No. 3582 is incorrect; the annexation should have been a serial annexation. When amended the annexation will be known as the Gowhari Annexations #1 & #2. The 24.473 acre Gowhari annexation consists of 3 parcels of land and 0.63 acres of 20 ½ Road right-of-way.

Proposed Ordinance Annexing Territory to the City of Grand Junction, Colorado Gowhari Annexations #1 & #2, Approximately 25.103 Acres, Located At 563 20 ½ Rd, 573 20 ½ Rd, 2026 S. Broadway and Including a Portion of the 20 ½ Road Right-of-Way

Action: Introduction of Proposed Ordinance and Set a Hearing for January 21, 2004

Staff presentation: Senta Costello, Associate Planner

6. **Setting a Hearing on Zoning the Gowhari Annexation, Located at 563 20 ½ Road, 573 20 ½ Road and 2026 S. Broadway** [File # GPA-2003-183] **Attach 6**

Introduction of a proposed zoning ordinance to zone the Gowhari Annexation consisting of 25.103 acres and 3 parcels, located at 563 20 ½ Rd, 573 20 ½ Rd, 2026 S. Broadway.

Proposed Ordinance Zoning the Gowhari Annexation to RSF-2 Located at 563 20 ½ Rd, 573 20 ½ Rd, 2026 S. Broadway

Action: Introduction of Proposed Ordinance and Set a Hearing for January 21, 2004

Staff presentation: Senta Costello, Associate Planner

7. **Lease Extension of the Saccomanno Property, Located at Southwest Corner of 26 ½ Road and H Road** **Attach 7**

A resolution authorizing a one-year farm lease of the City's Saccomanno Park property, located at the southwest corner of 26 ½ Road and H Road, except the south 5-acres.

Resolution No. 02-04 – A Resolution Authorizing a One-Year Farm Lease of the “Saccomanno Park Property” to Robert H. Murphy

®Action: Adopt Resolution No. 02-04

Staff presentation: Joe Stevens, Parks and Recreation Director

8. **Lease Extension of Two Dry Grazing Areas Located South of Whitewater** **Attach 8**

Two proposed Resolutions will extend the terms of these two existing Dry Grazing Leases located south of Whitewater for William Arthur Mertz and Sally Marie Smith.

Resolution No. 03-04 – A Resolution Authorizing a Dry Grazing Lease of City Property to William Arthur Mertz

Resolution No. 04-04 – A Resolution Authorizing a Dry Grazing Lease of City Property to Sally Marie Smith

®Action: *Adopt Resolution Nos. 03-04 and 04-04*

Staff presentation: Mark Relph, Public Works and Utilities Director

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

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

9. **Construction Contract - 29 Road Improvements Phase III Utilities, Grand Valley Canal – Patterson Road** **Attach 10**

Award of a construction contract for the 29 Road Improvements Phase III Utilities to M. A. Concrete Construction, Inc. in the amount of \$532,234.66.

Action: *Authorize City Manager to Execute a Construction Contract for the 29 Road Improvements, Phase III Utilities, Grand Valley Canal – Patterson Road, with M.A. Concrete in the Amount of \$532,234.66*

Staff presentation: Mark Relph, Public Works and Utilities Director

10. **Purchase of Property for the Riverside Parkway** **Attach 9**

The City has entered into a contract to purchase the property at 2529 High Country Court. A portion of the property is needed for Riverside Parkway right-of-way. The building will be used as office space for the Riverside Parkway Team for the duration of the project and then sold at the end of the project.

Resolution No. 05-04 – A Resolution Authorizing the Purchase of Real Property Located at 2529 High Country Court for Use for the Riverside Parkway

®Action: *Adopt Resolution No. 05-04*

Staff presentation: Mark Relph, Public Works and Utilities Director

11. **Citizen Corp Grant Program Application** **Attach 11**

The Governors Commission on Community Service under Lt. Governor Jane Norton is accepting grant applications for the 2004 Citizen Corp Program. This program supports the establishment of Citizen Corp Councils, Neighborhood Watch, Community Emergency Response Teams, Volunteers in Police Service, and Medical Reserve Corp. The Grand Junction Police Department would like to establish a Citizen Corp Council and obtain funding to support the new Neighborhood Beat System. The Police Department would like to host quarterly meetings in each of the 63 neighborhood beats. Due to high service demands and staff shortages the neighborhood beat officers will be conducting these meetings on an overtime basis rather than pulling from patrol staffing. Additionally, this grant would allow the City to pay overtime to patrol officers to attend a four hour training block on how to host these neighborhood meetings. The total costs of the proposed project will be \$53,960 all of which would come from the Governors Commission on Community Service.

Action: *Authorization for the Grand Junction Police Department to Apply for the Citizen Corp Overtime Grant Program*

Staff presentation: Greg Morrison, Chief of Police

12. **Public Hearing - Vacating Right-of-Way on the Files Property Located at 631 26 ½ Road** [File #VR-2003-227] **Attach 12**

The petitioners, City of Grand Junction and the current property owners, Shirley Howard, Donald Files & Robert Files, wish to vacate an existing 30' right-of-way located west of 26 ½ Road, between the platted right-of-ways of F ½ Road and North Acres Road that was originally dedicated in 1969 but due to a legal description error, was incorrectly conveyed. The only utility that is located in this right-of-way is a sanitary sewer line that will be covered by the recording of a 20' Public Utilities Easement. The proposed vacation has never been utilized or constructed as a road right-of-way. The Planning Commission recommended approval at its December 16th, 2003 meeting. The petitioners request approval of the Vacation Ordinance.

Ordinance No. 3593 - An Ordinance Vacating a 30' Wide Right-of-Way Located West of 26 ½ Road and South of the Grand Valley Canal and Reserving a 20' Public Utilities Easement Known as: 631 26 ½ Road

®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3593

Staff presentation: Scott D. Peterson, Associate Planner

13. **Public Hearing - Rezoning Blue Heron Meadows, Located at 2587 G ½ Road** [File #RZ-2003-212] **Attach 13**

A request for approval to rezone 18 acres of land from RSF-2 (Residential single-family, not to exceed 2 units per acre) to RSF-4 (Residential single-family, not to exceed 4 dwelling units per acre) and hold the Public Hearing on January 7, 2004.

Ordinance No. 3594 – An Ordinance Rezoning Blue Heron Meadows, 18 Acres of Land Located at 2587 G ½ Road from RSF-2 to RSF-4

®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3594

Staff presentation: Lori V. Bowers, Senior Planner

14. **Public Hearing - Westside Downtown Redevelopment Plan** [File #PLN-2003-247] **Attach 14**

Request to adopt the Westside Downtown Redevelopment Plan for the area generally bounded by Main Street, 5th Street and the Railroad.

Resolution No. 06-04 – A Resolution Adopting the Westside Downtown Redevelopment Plan

®Action: Adopt Resolution No. 06-04

Staff presentation: Kathy Portner, Planning Manager

15. **Agreements with Sanitation Districts** **Attach 15**

Over the course of the last six months, the staff's and attorney's of three sanitation districts (Fruitvale, Central Grand Valley, and Orchard Mesa), Mesa County, and City of Grand Junction have been negotiating Intergovernmental Agreements (IGA) and Total Service Agreements (TSA) for a period of years that clearly delineates roles and responsibilities of each agency. This effort comes from the last Persigo Board meeting in July which the Board authorized the use of a third party to help facilitate negotiations.

Action: Authorize the Mayor to Execute the IGA's and TSA's with Fruitvale Sanitation District, Central Grand Valley Sanitation District, and Orchard Mesa Sanitation District

Staff presentation: Kelly Arnold, City Manager
John Shaver, Interim City Attorney
Mark Relph, Public Works and Utilities Director
Greg Trainor, Utilities Manager

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

17. *** **OTHER BUSINESS**

Attach 16

Discussion of the process for filling the position of City Attorney.

18. **ADJOURNMENT**

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

WEDNESDAY, JANUARY 21, 2004, 7:30 P.M.

CALL TO ORDER

Pledge of Allegiance

Invocation – Pastor Jerry Boschen, First Assembly of God

PRESENTATION OF CERTIFICATES OF APPOINTMENT

To Visitors & Convention Bureau Board of Directors

To Historical Preservation Board

SCHEDULED CITIZEN COMMENTS

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

1. **Minutes of Previous Meetings** **Attach 1**
Action: Approve the Summary of the January 5, 2004 Noon Workshop, January 5, 2004 Workshop and the Minutes of the January 7, 2004 Regular Meeting

2. **Annual Hazardous Materials Agreement with Mesa County** **Attach 2**

The Fire Department is requesting renewal of the City of Grand Junction/Mesa County Intergovernmental agreement for the Grand Junction Fire Department to provide Superfund Amendment Reauthorization Act (SARA) and Designated Emergency Response Authority (DERA) services to Mesa County outside the City of Grand Junction. The DERA services are for response to accidents involving the release of hazardous materials. The SARA program involves collection of information regarding storage, handling, and manufacturing of hazardous materials.

Action: Authorize the City Manager to Sign the Annual SARA/DERA Agreement

Staff presentation: Jim Bright, Operations Officer

3. **Arts Sculptures for Canyon View Park and Westlake Skate Park** **Attach 3**

The Commission on Arts and Culture recommends that the City Council approve the commission of two sculptures through the 1% for the Arts Program: “Love Song” by Denny Haskew for Canyon View Park and “Wave Parade” by Joe McGrane for Westlake Park.

Action: Authorize the City Manager, City Attorney, and the Commission on Arts and Culture to Negotiate Contracts with the Two Selected Artists to Create and Install Sculptures for Canyon View Park and Westlake Park

Staff presentation: Allison Sarmo, Cultural Arts Coordinator

4. **Setting a Hearing to Create Alley Improvement District No. ST-2004, Phase B** **Attach 4**

A resolution setting a hearing creating Alley Improvement District ST-04 excluded the East/West Alley running from 8th to Cannell Avenue between Mesa Avenue and Hall Avenue due to concerns expressed by representatives of the Seventh Day Adventist Church as to their special assessment.

Resolution No. 07-04 – A Resolution Declaring the Intention of the City Council of the City of Grand Junction, Colorado, to Create Within Said City Alley Improvement District No. ST-04, Phase B and Authorizing the City Engineer to Prepare Details and Specifications for the Same

®Action: Adopt Resolution No. 07-04 and Set a Hearing for March 3, 2004

Staff presentation: Mark Relph, Public Works and Utilities Director

5. **Setting a Hearing for Alley Improvement District No. ST-03 Assessments** **Attach 5**

Improvements to the following alleys have been completed as petitioned by a majority of the property owners to be assessed:

- “T” Shaped Alley from 2nd to 3rd, between E. Sherwood Avenue and North Avenue
- “Cross” Shaped Alley from 6th to 7th, between Rood Avenue and White Avenue
- East/West Alley from 11th to 12th, between Rood Avenue and White Avenue
- East/West Alley from 13th to 14th, between Main Street and Colorado Avenue
- East/West Alley from 13th to 14th, between Chipeta Avenue and Ouray Avenue
- East/West Alley from 13th to 14th, between Hall Avenue and Orchard Avenue

Proposed Ordinance Approving the Assessable Cost of the Improvements Made In and for Alley Improvement District No. ST-03 in the City of Grand Junction, Colorado, Pursuant to Ordinance No. 178, Adopted and Approved the 11th Day

of June, 1910, as Amended; Approving the Apportionment of Said Cost to Each Lot or Tract of Land or Other Real Estate in Said District; Assessing the Share of Said Cost Against Each Lot or Tract of Land or Other Real Estate in Said District; Approving the Apportionment of Said Cost and Prescribing the Manner for the Collection and Payment of Said Assessment

Action: *Introduction of Proposed Ordinance and Set a Hearing for February 4, 2004*

Staff presentation: Mark Relph, Public Works and Utilities Director

6. **545 Noland Avenue Lease Extension** **Attach 6**

A resolution authorizing a one-year extension of the lease of City property at 545 Noland Avenue to Donald Fugate Jr., doing business as Don's Automotive.

Resolution No. 08-04 – A Resolution Extending the Lease of City Property at 545 Noland Avenue to Donald Fugate, Jr., Doing Business as Don's Automotive

Action: *Adopt Resolution No. 08-04*

Staff presentation: Mark Relph, Public Works and Utilities Director

7. **Application for USEPA Grant** **Attach 7**

The City of Grand Junction is applying for an \$80,000 grant from the USEPA to be contracted to a qualified subrecipient. The grant proposal will provide a detailed characterization of the sources and loads of selenium in Persigo Wash, Adobe Creek and Lewis Wash. Selenium characterization of washes will aid selenium remediation planning and increase understanding to land use planners about the effect of land use on selenium concentrations and loadings in the Grand Valley. Results of this study will also supplement City water quality study efforts for the Persigo Wash Temporary Modification workplan.

Action: *Authorize the Application for a USEPA Grant*

Staff presentation: Mark Relph, Public Works and Utilities Director

8. **Setting a Hearing on Zoning the Grand Bud Annexation Located at the NW Corner of 28 ½ Road and Highway 50** [File #GPA-2003-184] **Attach 8**

Introduction of a proposed ordinance zoning the Grand Bud Annexation, located at the NW corner of 28 ½ Road and Highway 50, RMF-8 (Residential Multi-family, 8 units per acre).

Proposed Ordinance Zoning the Grand Bud Annexation to RMF-8 Located at the NW Corner of 28 ½ Road and Highway 50

Action: *Introduction of Proposed Ordinance and Set a Hearing for February 4, 2004*

Staff presentation: Kathy Portner, Planning Manager

9. **Historic Structure Survey Phase III Consultant Selection** **Attach 9**

The City was awarded a grant from the Colorado Historical Society State Historical Fund (SHF) to complete Phase III of a Historic Structures Survey. A competitive bid process was conducted and staff recommends awarding the project to Reid Architects, Inc. The total budget for the survey is \$100,000, \$60,000 from the SHF and \$40,000 match from the City.

Action: *Authorize the City Manager to Sign a Contract with Reid Architects, Inc. to complete the Phase III Historic Structure Survey in the Amount of \$100,000.00*

Staff presentation: Kristen Ashbeck, Senior Planner

10. **Setting a Hearing on Zoning the Bogart Annexation Located at 563 22 ½ Road** [File #ANX-2003-254] **Attach 10**

Introduction of a proposed ordinance zoning the Bogart Annexation consisting of 1.409 acres of land, located at 563 22 ½ Road.

Proposed Ordinance Zoning the Bogart Annexation to RSF-2 located at 563 22 ½ Road

Action: *Introduction of Proposed Ordinance and Set a Hearing for February 4, 2004*

Staff presentation: Senta Costello, Associate Planner

11. **Setting a Hearing for Text Amendments to the SSID Manual (Submittal Standards for Improvements and Development)** [File #TAC-2003-01.04] **Attach 11**

Introduction of a Proposed Ordinance to adopt the recent changes to the SSID Manual (Submittal Standards for Improvements and Development) as referenced in the Zoning and Development Code, Ordinance No. 3390, effective January 20, 2002.

Proposed Ordinance Amending the City of Grand Junction's "Submittal Standards for Improvements and Development", SSID Manual, and Authorizing Publication of the Amendments by Pamphlet

Action: *Introduction of Proposed Ordinance and Set a Hearing for February 4, 2004*

Staff presentation: Lori V. Bowers, Senior Planner

12. **Setting a Hearing for Zoning the Tomkins Annexation Located at 2835 and 2837 D Road** [File #ANX-2003-235] **Attach 12**

Introduction of a proposed ordinance zoning the Tomkins Annexation RMF-8, located at 2835 and 2837 D Road.

Proposed Ordinance Zoning the Tomkins Annexation to RMF-8 Located at 2835 and 2837 D Road

Action: *Introduction of Proposed Ordinance and Set a Hearing for February 4, 2004*

Staff presentation: Lori V. Bowers, Senior Planner

13. **Setting a Hearing to Rezone the Tom Foster Property Located at 515 and 517 Kansas Avenue, from PD to RSF-4** [File #RZ-2003-231] **Attach 13**

Introduction of a proposed ordinance to rezone the Tom Foster property, located at 515 and 517 Kansas Avenue, from Planned Development (PD) to RSF-4, Residential Single Family-4.

Proposed Ordinance Rezoning the Tom Foster property, located at 515 and 517 Kansas Avenue, from Planned Development (PD) to Residential Single Family-4 (RSF-4)

Action: *Introduction of Proposed Ordinance and Set a Hearing for February 4, 2004*

Staff presentation: Lisa E. Cox, Senior Planner

14. **Setting a Hearing to Vacate a 10' Strip of Right-of-Way, Located Along the Eastern 10' of Lot 16, Bookcliff Heights Subdivision for St. Mary's Hospital** [File #VR-2002-121] **Attach 14**

Introduction of a proposed ordinance to vacate a 10' strip of right-of-way located along the eastern 10' of Lot 16, Bookcliff Heights Subdivision.

Proposed Ordinance Vacating a 10' strip of Right-of-Way Located along the eastern 10' of Lot 16, Bookcliff Heights Subdivision

Action: *Introduction of Proposed Ordinance and Set a Hearing for February 4, 2004*

Staff presentation: Lisa E. Cox, Senior Planner

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

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

15. **Engineering and Construction Contracts** (Items a - d may be awarded under one motion)

a. Combined Sewer Elimination Project, Basins 7 & 11 Attach 15

This is the fourth of six contracts associated with the Combined Sewer Elimination Project (CSEP). It consists of the installation of 3600 feet of sanitary sewer and storm drainage pipes and the disconnection of various storm drain inlets from sanitary sewer lines and their reconnection to storm drainage lines. The low bid for this work was submitted on January 8, 2004, by Mendez, Inc. in the amount of \$495,522.00.

Action: *Authorize City Manager to Execute a Construction Contract for the Combined Sewer Elimination Project, Basins 7 & 11 with Mendez, Inc. in the Amount of \$495,522.00*

Staff presentation: Mark Relph, Public Works and Utilities Director

b. CSEP Waterline Replacements Attach 16

This is the fifth of six contracts associated with the Combined Sewer Elimination Project (CSEP). It consists of the installation of 24,000 feet of water lines throughout the City. The low bid for this work was submitted on January 13, 2004, by MM Skyline Contracting, Inc. in the amount of \$1,777,408.60.

Action: *Authorize City Manager to Execute a Construction Contract for the 2004 Waterline Replacement with MM Skyline Contracting, Inc. in the Amount of \$1,777,408.60*

Staff presentation: Mark Relph, Public Works and Utilities Director

c. **29 – E.6 Bridge Widening at the Grand Valley Canal** **Attach 17**

Award of a construction contract for the 29 - E.6 Bridge Widening to G.A. Western Construction Company in the amount of \$181,274.16.

Action: Authorize City Manager to Execute a Construction Contract for the 29-E.6 Bridge Widening with G.A. Western Construction Company in the Amount of \$181,274.16

Staff presentation: Mark Relph, Public Works and Utilities Director

d. **Riverside Parkway Design** **Attach 18**

This proposed amendment to the existing engineering services contract with Carter & Burgess increases the scope of services to include the entire 1601 study area for Riverside Parkway at US-50. The scope of services also includes the preparation of preliminary plans for the entire Riverside Parkway project and right-of-way acquisition services for that portion of the project that is outside of the 1601 study area.

Action: Authorize the City Manger to amend the existing contract with Carter & Burgess for a total fee of \$4,001,612.00.

Staff presentation: Mark Relph, Public Works and Utilities Director

16. **Application for Federal Hazard Elimination Funding for 7th Street and Patterson Road Intersection** **Attach 19**

A Resolution authorizing the submission of the above grant application to assist in the funding of the construction of street improvements at the intersection of 7th Street and Patterson Road.

Resolution No. 09-04 – A Resolution Authorizing the Submission of a Grant Application to Assist in the Funding of the Construction of Intersection Improvements at North 7th Street and Patterson Road

®Action: Adopt Resolution No. 09-04

Staff presentation: Mark Relph, Public Works and Utilities Director

17. **Public Hearing – Issuing Bonds for the Riverside Parkway** **Attach 20**

The City voters overwhelmingly approved the issuance of bonds up to \$80 million at the November 4, 2003 election. This debt is specifically approved for the construction of the Riverside Parkway from 24 Road to 29 Road, together with

appropriate connections where needed and the completion of the 29 Road Corridor and new Interchange at 29 Road and I-70.

Ordinance No. 3595 – An Ordinance Authorizing the Issuance of City of Grand Junction, Colorado, General Fund Revenue Bonds, Series 2004, and Pledging Certain Revenues of the City for the Payment of the Bonds

®Action: *Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3595*

Staff presentation: Ron Lappi, Administrative Services and Finance Director

18. **Public Hearing – CDBG Action Plan 2003 Amendment** [File #CDGB-2003-01]
Attach 21

Amending the City's 2003 Action Plan for the Community Development Block Grant (CDBG) Program Year 2003 to utilize a portion of the funds earmarked for neighborhood program administration for a Historic Structure Assessment of the Riverside School and roof repairs for the Riverside School.

Action: *Hold a Public Hearing and Consider the Amendment to CDBG Action Plan 2003*

Staff presentation: Dave Thornton, CDGB Program Manager
Kristen Ashbeck, Senior Planner

19. **Public Hearing – Amending Ordinance No. 3582 Gowhari Annexation Located at 563 20 ½ Road, 573 20 ½ Road, 2026 S. Broadway** [File # GPA-2003-183]
Attach 22

Amending Ordinance No. 3582 for the Gowhari Annexation. The legal description in Ordinance No. 3582 is incorrect; the annexation should have been a serial annexation. When amended the annexation will be known as the Gowhari Annexations No. 1 & No. 2. The 24.473 acre Gowhari annexation consists of 3 parcel(s) of land and 0.63 acres of 20 ½ Road right-of-way.

Ordinance No. 3596 – An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Gowhari Annexations No. 1 & No. 2, Approximately 25.103 Acres Located at 563 20 ½ Rd, 573 20 ½ Rd, 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. 3596*

Staff presentation: Senta Costello, Associate Planner

20. **Public Hearing – Zoning the Gowhari Annexation Located at 563 20 ½ Road, 573 20 ½ Rd, 2026 S. Broadway** [File # GPA-2003-183] **Attach 23**

Hold a public hearing and consider final passage of an ordinance zoning the Gowhari Annexation consisting of 25.103 acres and 3 parcels, located at 563 20 ½ Road, 573 20 ½ Road and 2026 S. Broadway

Ordinance No. 3597 – An Ordinance Zoning the Gowhari Annexation to RSF-2 Located at 563 20 ½ Rd; 573 20 ½ Rd; 2026 S. Broadway

®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3597

Staff presentation: Senta Costello, Associate Planner

21. **Public Hearing – Valley Meadows North Rezone Located at the North End of Kapota Street** [File # RZP-2003-153] **Attach 24**

Hold a public hearing and consider final passage of a proposed ordinance to rezone the Valley Meadows North property, located at the north end of Kapota Street, from the RSF-R, Residential Single Family Rural to RSF-4, Residential Single Family-4.

Ordinance No. 3598 – An Ordinance Rezoning the Valley Meadows North Property, Located at the North End of Kapota Street, from Residential Single Family Rural (RSF-R) to Residential Single Family-4 (RSF-4)

®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3598

Staff presentation: Lisa E. Cox, Senior Planner

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

23. **OTHER BUSINESS**

24. **ADJOURNMENT**

EXHIBIT B
(Attach Affidavits of Publication)

State PROOF OF PUBLICATION

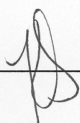
NOTICE OF PUBLIC HEARING
NOTICE IS HEREBY
GIVEN THAT:
The City Council of the City of
Grand Junction, Colorado, at its
regular convened meeting on
January 7, 2004, passed on first
reading the following entitled
proposed ordinance: -
AN ORDINANCE AUTHORIZ-
ING THE ISSUANCE OF CITY
OF GRAND JUNCTION, COLO-
RADO, GENERAL FUND REVENUE
BONDS, SERIES 2004, AND
PLEDGING CERTAIN REVENUES
OF THE CITY FOR THE PAYMENT
OF THE BONDS and authorized
the publication in pamphlet
form.
NOTICE IS FURTHER GIVEN
THAT the public hearing will be
held January 21, 2004 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 ordi-
nance.
Copies of the proposed ordi-
nance 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 Tain
City Clerk
Published: January 9, 2004

STATE OF COLORADO

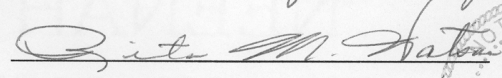
County of Mesa)
) ss.

Karen Sabra

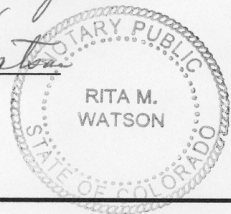
Being duly sworn, says that I am Legal Secretary of
The Daily Sentinel a daily newspaper, published and duly printed in
Grand Junction, Colorado in said County and State; that said
newspaper has a general circulation in said County and has been
continuously and uninterruptedly published therein, during 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 09th day of January, 2004,
and the last, on the 09th day of January, 2004.



Subscribed and sworn to before me, this 9th day of January, 2004



My Commission Expires 11/08/2005



State PROOF OF PUBLICATION

NOTICE OF ADOPTION OF ORDINANCE NO. 3595 AN ORDINANCE OF THE CITY OF GRAND JUNCTION TO BE PUBLISHED IN PAMPHLET FORM

NOTICE IS HEREBY GIVEN: That on the 21st Day of January, 2004, at 7:30 p.m. in the City Hall Auditorium, 250 N. 5th Street, Grand Junction, Colorado, 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: AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF GRAND JUNCTION, COLORADO, GENERAL FUND REVENUE BONDS, SERIES 2004, AND PLEDGING CERTAIN REVENUES OF THE CITY FOR THE PAYMENT OF THE BONDS. Copies of the adopted Ordinance are available for public inspection in the office of the City Clerk, 250 N. 5th Street, Grand Junction, CO between 7:30 a.m. and 5:30 p.m., Monday through Friday.

Stephanie Tuin
Stephanie Tuin, MMC
City Clerk
Published January 23, 2004

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 23rd day of January, 2004, and the last, on the 23rd day of January, 2004.

Subscribed and sworn to before me, this 27th day of January, 2004

My Commission Expires 11/08/2005

