

BOARD MEETING
GRAND JUNCTION NEW POLICE DEFINED CONTRIBUTION PLAN
January 17, 1996

A meeting of the Board for the Grand Junction New Hire Police Defined Contribution Plan was called to order at 2:30 p.m. on January 17, 1996 in the Alpine Bank Building by Chairman Jim Hall. Present were Participant Members Jim Hall and Les Guttman; Mark Achen, Ron Lappi, Darold Sloan and Claudia Hazelhurst.

The minutes of the October 16, 1995 meeting were approved as submitted.

Election of new officers resulted in Ron Lappi being elected as Chairman and Les Guttman as Secretary to the Board.

Claudia Hazelhurst stated that the term has expired for the Participant Board Member who was elected to a one-year term. Since the three Participant Board Members were elected without designated terms, Jim Hall chose to take the one-year term, Les Guttman the two-year term and Bob Russell the three-year term. Participant Board Members will organize an election to fill the seat vacated by Jim Hall. The Participant Board Member elected through this process will serve a three-year term.

Claudia Hazelhurst updated the Board on the status of the transition of investment management and custodial services from Colorado National Bank (CNB) to Norwest Investment Management and Trust (Norwest). She stated that the first and second quarter valuation work requested of CNB in July, 1995, was completed by CNB and received by Norwest on November 30, 1995. Third quarter valuation and statements were received January 4, 1996. This data was provided in hard copy so needs to be manually entered by Norwest to construct participant accounts. After participant accounts have been reconciled, account activity such as reallocation of assets, loans, etc. may commence. It is expected that Norwest will have participant accounts in order by the week of January 22nd. Three participant loans are awaiting processing pending completion of this work. A letter of complaint was sent to CNB by Claudia Hazelhurst on December 28, 1995 concerning their mismanagement of our account, errors and delays (see attached). A reply was received by CNB which stated that the matter would be looked into (see attached). Since the aforementioned letter was sent to the manager over the section with whom we had experienced the greatest difficulties, Mark Achen suggested that another letter be sent to Doug Aden, President of CNB, to inform him of the problems we have been experiencing and that, given their seriousness, legal action was being considered. Claudia Hazelhurst will prepare such a letter for Mark Achen's signature.

Claudia Hazelhurst informed the Board that the most recent problem that surfaced was \$17K which was shown as remaining in the Settlement Account with CNB. According to information provided by CNB, all funds in the Settlement Account were distributed to current or former participants. Gary Bostwick continues to work with CNB to resolve these problems. It was suggested that Ron Lappi be provided with the necessary information to assist with reconciling these discrepancies.

Claudia Hazelhurst stated that a participant has expressed concern about being able to maintain his current loan repayments since taking a voluntary demotion to a lower paying, civilian position. She has looked

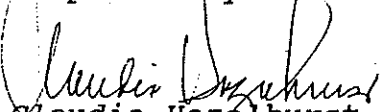
into various options to assist him in handling this transition but some would require Board approval and plan amendments. The first option is to terminate him from his sworn position and then re-hire him into the civilian position. Because service would be temporarily severed, the participant could receive a distribution and have ample funds to satisfy his Plan loan debt. Since the employee did not actually suffer a break in service, the Board viewed this approach as contrived simply for the purpose of allowing the participant access to his funds and as setting an undesirable precedent. A second option is for the employee to go into default on one or more of his loans by revoking authorization for repayment. Those loans in default would be treated as a distribution with associated penalties. A third option would be to extend the employee a grace period for the repayment of his loans to the end of the calendar quarter. This approach would require a plan amendment since the plan in its current form provides for only a 30-day grace period. The Board believed this option would not serve the employee well in that all payments missed during this grace period would become due and payable at the end of the quarter. The Board asked that Claudia Hazelhurst write a letter to the employee informing him of the default and grace period alternatives as well as of the employee applying for a new loan to consolidate existing debt.

Claudia Hazelhurst presented information to the Board on all loans which had been approved and processed during the period of April 19, 1995 through January 17, 1996 (see attached). The Board ratified the Chairman and Secretary's actions in processing these loans.

Claudia Hazelhurst suggested that meetings be set up with Plan participants and Gary Bostwick of Norwest to respond to participant questions and concerns, talk about the status of the transition from CNB to Norwest and to introduce the voice response system. Claudia Hazelhurst will proceed with getting these meetings scheduled.

There being no further business, the meeting was adjourned at 3:40 p.m. The next meeting will be held April 17, 1996 at 2:00 p.m. at the Alpine Bank Building. The balance of 1996 meetings will be held on July 17th and October 16th, same time and location.

Respectfully submitted,


Claudia Hazelhurst
Secretary

Attachments

c: file