

CITY OF GRAND JUNCTION, COLORADO

ORDINANCE NO. 5089

AN ORDINANCE AUTHORIZING AND CONFIRMING A REDEVELOPMENT AGREEMENT BY AND AMONG CONJUNCTION JUNCTION LLC, A COLORADO LIMITED LIABILITY COMPANY, ("CONJUNCTION"), THE CITY OF GRAND JUNCTION, A COLORADO HOME RULE MUNICIPAL CORPORATION ("CITY"), AND THE DOWNTOWN GRAND JUNCTION DEVELOPMENT AUTHORITY, A BODY CORPORATE AND POLITIC OF THE STATE OF COLORADO ("AUTHORITY") FOR THE PROPERTY LOCATED AT 200 ROOD AVENUE, GRAND JUNCTION, COLORADO AND RATIFYING ALL ACTIONS HERETOFORE TAKEN IN CONNECTION THEREWITH

RECITALS:

Richmark Real Estate Partners LLC is the owner of the real property commonly known and addressed as 200 Rood Avenue, Grand Junction, Colorado, ("Property") which is more particularly described in the Redevelopment Agreement attached hereto and incorporated by this reference as if fully set forth ("Agreement"). The Property which is located within the boundaries of the Downtown Development Authority ("DDA") is blighted and will benefit from redevelopment. In accordance with Colorado law, the DDA has established tax increment financing, which provides a financial tool to stimulate and support certain redevelopment activities. In addition to the tax increment finance the City Council has agreed to waive and shall cause to be paid certain fees as the same are defined in the Agreement.

With the formation of the DDA a Plan of Development ("Plan of Development") was adopted by the Grand Junction City Council in 1981, with the Plan of Development being revised by Ordinances 4881, 4937 and DDA Resolutions 2019-04 and 2020-02. Consistent with the Plan of Development as revised, and to the extent the same is implemented by this Ordinance and/or the Agreement, and the City's Comprehensive Plan, the City has established and adopted a physical area within which the City and the DDA have found conditions that deserve City and DDA financial support to stimulate reinvestment and/or to deter further economic and physical deterioration ("City and DDA Plans"). This Ordinance, together with the Agreement and the redevelopment that will result, will serve a public purpose, promote the health, safety, prosperity, security, and general welfare of the inhabitants of the City, and will halt or prevent the deterioration of property values or structures within the DDA redevelopment boundary area/the City.

In accordance with the Agreement, Conjunction intends to redevelop the Property as a multi-family residential project, featuring at least 250 units, together with related amenities and uses (collectively, the "Project"). Given that the Project is consistent with the Plan of Development as revised and, as such, will ensure the availability of new housing that is within walking distance of businesses, services, and employment and the Project will reduce sprawl by maximizing the use of existing infrastructure, the City

Council finds that the Project is consistent with the sound needs and plans of the municipality as a whole for the redevelopment of the Property by Conjunction.

On July 14, 2022, the DDA adopted Resolution 2022 - 03 conditionally approving the Agreement, finding and determining that the construction and installation of the Project in accordance with the Agreement will serve a public purpose(s) and contribute to the redevelopment of the City as contemplated by the City and DDA Plans. Resolution 2022 - 03 is incorporated by this reference as if fully set forth.

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

1. The foregoing Recitals are incorporated and adopted and in accordance with and pursuant to this Ordinance, the City Council of the City of Grand Junction hereby authorizes and confirms the redevelopment agreement ("Agreement") by and among Conjunction Junction LLC a Colorado Limited Liability Company, ("Conjunction") or its successors and assigns as permitted in accordance with the Agreement, the City of Grand Junction ("City"), and the Downtown Grand Junction Development Authority ("DDA") for the property located at 200 Rood Avenue, Grand Junction, Colorado ("Property") and ratifying actions heretofore taken in connection therewith as provided in Recitals, the Agreement and this Ordinance.
2. The terms of the Agreement, include but are not limited to a) the City waiving or paying fees, as defined by the Agreement, in an amount not to exceed \$2,408,219.00 for and on behalf of Conjunction for the redevelopment of the Property; and, b) the purchase of Rood Avenue right of way together with improvements thereto to be made by Conjunction; and c) a pledge by the DDA of tax increment, all as provided in the Agreement.
3. In accordance with and pursuant to this Ordinance, the City Council of the City of Grand Junction, Colorado confirms and authorizes the Agreement and any and all actions consistent with and to be taken subsequent to the adoption of this Ordinance, by the officers, employees and agents of the City, if/when such action(s) is(are) pursuant to C.R.S 31-25-801-822, the Agreement, together with the findings made therein, and with any applicable City and DDA Plans, ordinance(s), resolution(s), or other document(s) all of which shall be substantially construed to affect the intent and purposes thereof as required by C.R.S. 31-25-807(4)(a).
4. If any part or provision of this Ordinance or the application thereof to any person or circumstance(s) is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid

provisions or application, and to this end the provisions of this Ordinance are declared to be severable.

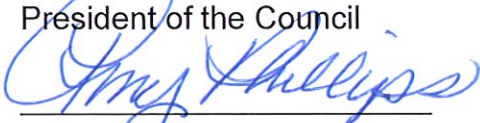
5. The City Council finds and declares that this Ordinance is promulgated and adopted for the public health, safety and welfare and this Ordinance bears a rational relation to the lawful objectives sought to be obtained.

INTRODUCED ON FIRST READING, PASSED for publication in pamphlet form and setting a hearing for 2022, this 20th day of July 2022.

HEARD, PASSED and ADOPTED ON SECOND READING and ordered published in pamphlet form this 7th day of September 2022.



Anna M. Stout
President of the Council



Amy Phillips
City Clerk



I HEREBY CERTIFY THAT the foregoing Ordinance, being Ordinance No. 5089 was introduced by the City Council of the City of Grand Junction, Colorado at a regular meeting of said body held on the 20th day of July 2022 and the same was published in The Daily Sentinel, a newspaper published and in general circulation in said City, in pamphlet form, at least ten days before its final passage.

I FURTHER CERTIFY THAT a Public Hearing was held on the 7th day of September 2022, at which Ordinance No. 5089 was read, considered, adopted and ordered published in pamphlet form by the Grand Junction City Council.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 12th day of September 2022.


Deputy City Clerk

Published: July 22, 2022
Published: September 9, 2022
Effective: October 9, 2022



**REDEVELOPMENT AGREEMENT
(200 ROOD AVE., GRAND JUNCTION, CO)**

This REDEVELOPMENT AGREEMENT (this “**Agreement**”) dated as of October 10, 2022 (“**Effective Date**”), is made by and among CONJUNCTION JUNCTION, LLC, a Colorado limited liability company, or its successors and assigns permitted in accordance with Paragraph 11 (“**Developer**”), the CITY OF GRAND JUNCTION, a Colorado Home Rule municipal corporation (“**City**”), and the DOWNTOWN GRAND JUNCTION DEVELOPMENT AUTHORITY, a body corporate and politic of the State of Colorado (“**Authority**”). Developer, City, and Authority are sometimes collectively called the “**Parties**,” and individually, a “**Party**.”

RECITALS

WHEREAS, Developer is the owner of certain real property known as 200 Rood Avenue, Grand Junction, CO, and as described and depicted in Exhibit A, attached hereto (hereinafter known as the “**Property**”); and

WHEREAS, the Property is located within the boundaries of the Downtown Development Authority district (the “**DDA District**”), which Property is blighted and will benefit from the Authority undertaking an effort at redevelopment; and

WHEREAS, the formation of the DDA District also included the establishment of tax increment financing, which provides a financial tool as authorized under state law to stimulate and support certain redevelopment activities; and

WHEREAS, commensurate with the formation of the DDA District, a Plan of Development (“**Plan of Development**”) encompassing the legal boundaries of the Authority was adopted by the Grand Junction City Council in a Resolution adopted and approved on December 16, 1981; and

WHEREAS, the Authority may extend financial support from its tax increment district to secure the redevelopment of the Property/development of the Project; and

WHEREAS, Developer has provided the City and the Authority with the preliminary financing plan attached hereto as Exhibit E (the “**Preliminary Financing Plan**”), which evidences to the City and Authority that the Developer has the financial capacity to undertake the Project;

WHEREAS, consistent with the City’s Comprehensive Plan, the City has established and adopted a physical area within the community known as the Redevelopment Boundary Area and associated Redevelopment Policy adopted by Resolution 93-19 and amended by Resolution 03-20 (“**Redevelopment Boundary Area**”), within which it has identified property conditions that warrant support to stimulate reinvestment to deter properties from economic and physical deterioration due to their age and condition; and

WHEREAS, The Plan of Development was amended by Ordinances 4881 and most recently by Ordinance 4937 known as Vibrant Together: A Downtown Initiative – A Plan of

Development of Downtown, adopted by the Authority. The Authority has expressed an interest in working with the City to develop a program to jump-start redevelopment by lowering operating costs for developers in the DDA District; and

WHEREAS, with the establishment and adoption of the Vibrant Together - Plan of Development, the City Council made findings that establishment of the Redevelopment Boundary Area would serve a public use, and promote the health, safety, prosperity, security, and general welfare of the inhabitants of the City, and would halt or prevent the deterioration of property values or structures within the central business district and the growth of blighted areas therein, and by making such findings authorized the City to incur obligations, and to pledge as security therefor the tax increments consistent with the provisions of §§ 31-25-801 - 822, C.R.S.; and

WHEREAS, the Property is also located within the Redevelopment Boundary Area; and

WHEREAS, Developer intends to redevelop the Property as a multi-family residential project, featuring at least 250 residential units, together with related amenities and uses (collectively, the "Project"); and

WHEREAS, construction of the Project is consistent with the adopted Plan of Development and, as such, will reduce conditions of distress or disinvestment in the DDA District; maximize the efficient provision of infrastructure and public services throughout the DDA District; will ensure the availability of housing to area residents; and will provide a dense population of customers for the surrounding businesses; and

WHEREAS, the City and DDA have reviewed the conceptual plans for the Project attached hereto as Exhibit B (the "**Conceptual Plans**"), and determined the Project is substantially consistent with the City's Zoning and Development Code and will further stated goals and policies of the City's 2020 One Grand Junction Comprehensive Plan and the Plan of Development. The Parties acknowledge that the final design of the Project will be subject to the City's entitlement and permitting process; and

WHEREAS, the Authority has determined that the acquisition, construction, and installation of the Project will serve a public purpose and contribute to the redevelopment of the DDA District as contemplated by the Plan of Development as amended.

NOW, THEREFORE, the Parties hereto, for themselves, their permitted successors, and assigns, in and for valuable consideration, including but not limited to, the performance of the mutual covenants and promises set forth herein, the receipt and adequacy of which are hereby acknowledged, do hereby covenant, and agree as follows:

DEFINITIONS

1. "Act" means Part 8 of Article 25 of Title 31, Colorado Revised Statutes.
2. "Authority Payments" has the meaning set forth in Paragraph 2(A) below.
3. "Commence" "Commenced" or "Commencement" means the beginning of on-

site physical construction of the Project, including without limitation demolition of existing structures.

4. **"Complete" "Completed" or "Completion"** means issuance of temporary or final certificates of occupancy for all buildings within the Project.

5. **"Conceptual Plans"** are/consists of the documents marked and attached to this agreement as Exhibit B.

6. **"DDA District"** has the meaning assigned to such term in the Recitals.

7. **"Fees"** means all fees imposed by the City with respect to the development of the Project, including, without limitation, any City application fees, impact fees (e.g., Parks & Recreation, Fire, Traffic, Park Dedication, etc.), development review fees, fees imposed as a condition to the issuance of a City Planning Clearance or other permit, tap fees, and City sales and use tax charged for materials used in construction of the Project.

8. **"Fee Cap"** means \$2,408,219.

9. **"Plan of Development"** has the meaning assigned to such term in the Recitals.

10. **"Preliminary Financing Plan"** is/consists of the documents marked and attached to this agreement as Exhibit E.

11. **"Project"** has the meaning assigned to such term in the Recitals.

12. **"Property"** the real property that is depicted and described in Exhibit A hereto.

AGREEMENT

1. Waiver of Fees. In consideration of the terms of this Agreement, the City hereby waives, and/or shall cause the payment of, all Fees, not to exceed the Fee Cap as provided herein.

2. Authority Payments.

a. From and after the Commencement of the Project, the Authority shall, subject to annual appropriation, pay to Developer those amounts set forth on Schedule 1 attached hereto and incorporated herein (the **"Authority Payments"**), with (i) the first Authority Payment being due and payable to Developer on or before the date that is thirty (30) days after Developer notifies the Authority in writing that Developer has Commenced the Project; (ii) the second Authority Payment being due and payable to Developer on or before the date that is thirty (30) days after Developer notifies the Authority in writing that Developer has incurred \$20,000,000 or more in total costs to design and develop the Project, which notice shall be accompanied by a letter or other evidence from the construction lender for the Project confirming the same; (iii) the third Authority Payment being due and payable to Developer on or before the date that is thirty (30) days after Developer notifies the Authority in writing that Developer has Completed the Project;

and (iv) each Authority Payment thereafter being due and payable on the anniversary of the Completion of the Project until all of the Authority Payments listed on Schedule 1 have been paid to the Developer.

b. The Authority shall not initiate any action that impairs the rights of the Parties under this Agreement or prohibits or restricts the Authority's performance of any of its obligations under this Agreement.

c. The Authority has determined that the acquisition, construction, and installation of the Project will serve a public purpose and promote development/ redevelopment as contemplated by the Plan of Development as amended and Colorado law.

3. Development Deadlines.

a. Notwithstanding anything to the contrary in this Agreement: (i) Developer shall have no obligation to construct all or any portion of the Project, or to timely Commence or Complete the Project; (ii) Developer may, in its sole discretion, elect to undertake none, all, or only certain phases of the Project, and to Commence and Complete the Project at any time; and (iii) if the Developer elects to undertake all or any portion of the Project, Developer acknowledges that the Project will be subject to the City's entitlement and permitting process. If, subject to Paragraph 24 below, Developer fails to Commence the Project on or before the date that is seven (7) calendar months after the Effective Date ("**Commencement Deadline**"), or thereafter, fails to Complete the Project within twenty-nine (29) calendar months after the date of Commencement ("**Completion Deadline**"), then (A) Developer shall neither be entitled to receive a waiver of, nor shall the City be obligated to pay on behalf of the Developer or any successor(s) or assign(s), any Fees, regardless of whether the Fees accrue or accrued prior to or after expiration of the Commencement Deadline or the Completion Deadline, as applicable, and (B) Developer shall not be entitled to receive, and the Authority shall not be obligated to pay, any Authority Payments that accrue after expiration of the Commencement Deadline or the Completion Deadline, as applicable.

b. Notwithstanding the foregoing, Developer may request an extension of either the Commencement Deadline and/or the Completion Deadline by delivering a written request for the same to the City Manager to schedule for consideration by the City Council at the next scheduled City Council meeting. City Council approval will be required to grant any extension request.

4. Acquisition of Rood Avenue ROW. Within thirty (30) days after Completion of the Project, Developer shall sell to the City, and the City shall acquire from Developer, the approximately 0.38-acre portion of Rood Avenue depicted on Exhibit B along with the improvements to be constructed on such property in accordance with the approved plans for the Project (the "**Rood Avenue ROW**") for use as a public right of way, by means of special warranty deed, AS-IS and without representation or warranty of any kind, express or implied, but subject to the warranty requirements in the Code. The City shall pay the Developer \$300,000 for Rood Avenue ROW concurrently with the sale of the Rood Avenue ROW to the City. The closing of such sale will occur by means of an escrow established with First American Title Company (the

"Title Company"), and the City and Developer agree to execute commercially reasonable escrow instructions with the Title Company to effect the closing of such sale. In accordance with Paragraph 3, Developer shall have no obligation under this Agreement to construct all or any portion of the improvements for the Rood Avenue ROW and may, in its sole discretion, elect to undertake none, all, or only certain phases of the Rood Avenue ROW, and to Commence and Complete the Rood Avenue ROW at any time or never, subject to the City's entitlement and permitting process.

5. Terms and Conditions of Agreement, Default: In the event a Party fails or refuses to perform according to the terms of this Agreement, that Party shall be declared in default. In the event of a default, the defaulting Party is permitted thirty (30) calendar days to cure said default after receipt of Notice consistent with this Agreement. In the event a default remains uncured after the 30-day period, the Party declaring default may:

- a. Terminate the Agreement; or
- b. Bring an action for its actual damages, injunction, specific performance, and/or for mandamus (including without limitation to enforce a current annual appropriation made to pay an amount due or owing hereunder) or other appropriate equitable remedy.

The foregoing remedies shall be cumulative and shall be the sole and exclusive remedies for a default of this Agreement, and all other remedies are hereby waived. In the event the default causes the other Party not in default to commence legal or equitable action against the defaulting Party, the defaulting Party will be liable to the non-defaulting Party for the costs incurred by reason of the default, including reasonable attorneys' fees and costs. Except as provided in this Paragraph 4, no Party shall be entitled to recover or claim damages for an event of default by the defaulting Party, including, without limitation, lost profits, economic damages, or actual, direct, incidental, consequential, exemplary, or punitive damages for any other Party's breach of this Agreement.

6. No Waiver of Grand Junction Municipal Code ("Code"): Except for the express incentives offered by the City as stated herein, this Agreement does not waive any part or provision of the Code.

7. Governmental Immunity: The Parties agree that the City and the Authority, in entering this Agreement, do not waive governmental immunity as described in C.R.S. 24-10-101, *et seq.* No part of this Agreement shall be deemed to create a waiver of immunity as defined therein or by case law construing the law.

8. Service of Notices: All notices required or permitted pursuant to this Agreement must be made in writing and delivered in person, by prepaid overnight express mail or overnight courier service, or by certified mail or registered mail, postage prepaid return receipt requested, or by e-mail, to the other Parties' authorized representatives (or their successors) as identified herein at the addresses listed below. All notices shall be deemed effective when actually delivered as documented in a delivery receipt, or, if delivered by e-mail, as documented in a delivery or read receipt, whichever is earlier; provided, however, that if the notice is affirmatively refused or cannot be delivered during customary business hours by reason of (a) the absence of a signatory to

acknowledge receipt, or (b) a change of address with respect to which the addressor had neither actual knowledge nor written notice delivered in accordance with this section, then the first attempted delivery shall be deemed to constitute delivery.

For the City: City Manager
City of Grand Junction
Attention: Greg Caton
250 North 5th Street
Grand Junction, CO 81501
Email: gregc@gjcity.org

With copy to: City Attorney
City of Grand Junction
Attention: John Shaver
250 North 5th Street
Grand Junction, CO 81501
Email: johns@gjcity.org

For the Authority: Downtown Grand Junction Development Authority
Attention: Brandon Stam
101 South 3rd Street, Suite 100
Grand Junction, CO 81501
Email: brandon@downtown.org

For Developer: Conjunction Junction, LLC
c/o Richmark Real Estate Partners, LLC
5200 W. 20th Street
Greeley, CO 80634
Attn: Adam Frazier
Email: adam@richmarkcompanies.com

With copy to: Brownstein Hyatt Farber Schreck, LLP
410 Seventeenth Street, Suite 2200
Denver, CO 80202
Attn: Carolynne C. White, Esq.
Charlie J. Smith, Esq.
Email: cwhite@bhfs.com
cjsmith@bhfs.com

9. Severability: If any provision of this Agreement is determined by a court having jurisdiction to be unenforceable to any extent, the rest of that provision and of this Agreement will remain enforceable to the fullest extent permitted by law.

10. Venue and Governing Law: This Agreement shall be governed by and construed according to the laws of the State of Colorado. Venue for all actions regarding this Agreement shall be in Mesa County, Colorado.

11. Assignment:

a. The City, Developer, and Authority shall not assign any rights or obligations under this Agreement without the prior written consent of the other Parties except as follows.

b. Prior to Completion, Developer may assign, pledge, collaterally assign, or otherwise encumber all or any part of this Agreement, including without limitation its right to receive any payment or reimbursement, without any Party's consent, but after written notice to the City and the Executive Director of Authority containing the name and address of the assignee, to: (a) any lender or other party that provides acquisition, construction, working capital, tenant improvement, or other financing to Developer in connection with the Project or acquisition or ownership of the Property as collateral or security for such financing; or (b) one or more subsidiaries, parent companies, special purpose entities, affiliates controlled by or under common control or ownership with Developer, or joint venture entities formed by Developer or with its investors or partners to develop, own, and/or operate all or a portion of the Property or of the improvements to be constructed thereon (each assignee in (a) and (b) being a **"Permitted Assignee"**).

c. After Completion, Developer shall have the right to assign all or any portion of this Agreement to a purchaser of all or a portion of the Property without the written consent of the other Parties but shall provide written notice to the City and the Executive Director of the Authority containing the name and address of the assignee within 5 business days of such conveyance and assignment.

d. If consent is required, it shall not be unreasonably withheld, delayed, or conditioned.

e. The restrictions on assignment contained in this Agreement apply only to a potential assignment of all or a portion of the rights and obligations pursuant to this Agreement and shall not be interpreted to restrict in any way the conveyance of one or more interests in all or a portion of the Property which is the subject of this Agreement.

f. Nothing in this Agreement modifies or waives the obligations or responsibilities of either Developer or Developer's assignee under the Code and other applicable law, rule or regulation.

g. No assignment of this Agreement by Developer, whether or not such assignment requires the consent of the City or the Authority, shall relieve Developer of its obligations contained within this Agreement. Any purported assignment that does not comply with this provision is void. This Agreement is binding and inures to the benefit of the parties and their respective permitted successors and assigns, subject to this Paragraph 11.

12. No Third-Party Beneficiaries: It is expressly understood and agreed that the terms and enforcement of the terms of this Agreement, and all rights of action relating to enforcement,

are strictly reserved to the Parties. Nothing in this Agreement shall give or allow any claim or cause of action whatsoever by any other person not included in this Agreement. It is the express intention of the undersigned Parties that no person or entity, other than the Parties hereto, receiving services or benefits under this Agreement shall be deemed any more than an incidental beneficiary only.

13. Modifications and Amendments: This Agreement shall not be modified, revoked, or amended except by written agreement signed by all Parties.

14. Counterparts: This Agreement may be executed in counterpart originals, each of which shall be deemed an original, and each of which shall be deemed to constitute one and the same Agreement. Additionally, a copy of an executed original Agreement signed by a Party hereto and transmitted by electronic mail shall be deemed an original, and any Party hereto is entitled to rely on the validity, authenticity, and authority of an original transmitted by electronic mail.

15. Nonliability of Officials, Agents, Members, and Employees. Except for willful or wanton actions, no trustee, board member, commissioner, official, employee, consultant, manager, member, shareholder, attorney, or agent of any Party, will be personally liable under this Agreement, or in the event of any default, or for any amount that may become due to any Party.

16. Cooperation Regarding Defense. In the event of any litigation or other legal challenge involving this Agreement or the ability of any Party to enter into this Agreement that is not brought by a Party, the Parties will cooperate and subject to a mutually acceptable joint defense agreement jointly defend against such action or challenge, to the extent permitted by law.

17. Additional Documents or Actions. The Parties agree to execute any reasonable additional documents or take any reasonable additional action, including but not limited to estoppel certificates requested or required by lenders or purchasers of the Property, that are: (a) reasonably necessary to carry out this Agreement, (b) reasonably requested by any Party to confirm or clarify the intent of the provisions of this Agreement or the status of the Agreement and the Parties' actions hereunder, or (c) are reasonably necessary to effectuate the agreements and the intent of this Agreement. If all or any portion of this Agreement, or other agreements approved in connection with this Agreement, are asserted or determined to be invalid, illegal, or are otherwise precluded, the Parties will use reasonable, diligent, good faith efforts to amend, reform, or replace such invalid, illegal, or precluded items to assure, to the extent legally permissible, that each Party substantially receives the benefits that it would have received under this Agreement.

18. Waiver of Breach. A waiver by any Party to this Agreement of the breach of any term or provision of this Agreement must be in writing and will not operate or be construed as a waiver of any subsequent breach by any Party.

19. Binding Effect; Entire Agreement. This Agreement will inure to the benefit of and be binding upon the Parties and their respective legal representatives, successors, heirs, and assigns, provided that nothing in this paragraph permits the assignment of this Agreement except as set forth in Paragraph 11. This Agreement represents the entire Agreement among the Parties with respect to the subject matter hereof and supersedes any prior written or oral agreements or

understandings with regard to the subject matter of this Agreement.

20. Days. If the day for any performance or event provided for herein is a Saturday, a Sunday, a day on which national banks are not open for the regular transactions of business, or a legal holiday pursuant to §24-11-101(1), C.R.S., such day will be extended until the next day that is not one of the foregoing days.

21. Recording. The Parties will execute and acknowledge a memorandum of this Agreement, in form and substance attached hereto as Exhibit C, which will be recorded in the real property records of Mesa County, Colorado.

22. Good Faith of Parties. In the performance of this Agreement or in considering any requested approval, consent, acceptance, or extension of time, the Parties agree that each will act in good faith.

23. Parties Not Partners. Notwithstanding any language in this Agreement or any other agreement, representation, or warranty to the contrary, the Parties will not be deemed to be partners or joint venturers, and no Party is responsible for any debt or liability of any other Party.

24. Force Majeure. If a Force Majeure Event occurs, the deadline for performance of any obligations affected by such Force Majeure Event shall be automatically extended for a period equal to the duration of such Force Majeure Event and Developer shall be excused from the performance of such obligations during such period. "Force Majeure Event" means any one or more of the following events or circumstances that, alone or in combination, directly or indirectly, adversely affects the Developer's performance of an obligation pursuant to this Agreement: fire, earthquake, storm or other casualty; strikes, lockouts, or other labor interruptions or shortages; COVID-19 and other pandemics or epidemics; war, rebellion, riots, acts of terrorism, or other civil unrest; acts of Nature; disruption to local, national, or international transport services; prolonged shortages of materials or equipment, epidemics; severe adverse weather; the discovery of previously unknown facilities, improvements, or other features or characteristics of the Property; delays in the demolition of existing structures, including without limitation delays related to the remediation or removal of asbestos or other hazardous materials; Entitlement Delays; Material Litigation; and any other event, similar or dissimilar to the above, whether foreseeable or unforeseeable, known or unknown, that is beyond the Developer's reasonable control. Without in any way obligating the City to provide comments within any specific time period, if the City takes longer than twenty-one (21) days after receipt of any complete application for approval any site plan, plat, or other approval, entitlement, or permit for the Project, or any resubmission of the same, to provide Developer with a complete set of comments from each City agency, department, and referral agency on such application or resubmission, each day after such twenty-one (21) day period shall constitute "Entitlement Delays". "Material Litigation" includes litigation, appeals, and administrative actions related to the entitlement, permitting, development, financing, or construction of the Project, including without limitation claims brought pursuant to C.R.C.P. § 106(a)(4) to the extent not initiated by the Developer, and any litigation brought by Developer against the City, Authority, or both arising out of or related to this Agreement or performance of the obligations set forth herein, but only if such litigation, appeal, or administrative action delays development of the Project for a period of more than five consecutive business days.

25. Estoppel Certificates. The City and Authority, at any time and from time to time upon not less than ten (10) business days' prior written notice from Developer, agrees to execute and deliver to Developer an estoppel certification in the form attached as Exhibit D, which form is acceptable to the Authority, Developer, and the City.

26. Representations and Warranties

a. Developer represents and warrants to the City and Authority that the following statements are true as of the Effective Date:

i. **No Litigation.** There is no pending or, to Developer's actual knowledge, threatened litigation or claim against the Project or the Developer related to the Project that would prohibit Developer from performing its obligations in this Agreement or render this Agreement invalid.

ii. **Authorization.** Developer has all requisite power and authority to perform its obligations under this Agreement and the execution, delivery, and is duly and validly authorized to execute, enter into, and perform the obligation set forth in this Agreement. Each person executing and delivering this Agreement and all documents to be executed and delivered in regard to the consummation of the transaction herein has due and proper authority to execute and deliver those documents. This Agreement and all documents executed and delivered by Developer in connection with the transaction herein shall constitute valid and binding obligations of Developer, enforceable against Developer in accordance with the terms of this Agreement. The Preliminary Financing Plan may be in the form of a loan commitment and be based on the project budget reviewed and approved by the lender issuing the loan commitment.

iii. **Organization of Developer.** Developer is a duly organized and validly existing limited liability company under the laws of the State of Colorado and with full power to enter into and to perform its obligations under this Agreement.

iv. **No Breach or Prohibition.** To Developer's actual knowledge, the transactions contemplated by this Agreement are not restrained or prohibited by any injunction, order or judgment rendered by any court or other governmental agency of competent jurisdiction against Developer. To Developer's actual knowledge, neither the execution and delivery of the Agreement, nor the consummation of the transactions contemplated hereby, will (a) be in violation of any agreements to which Developer is a party, or (b) conflict with or result in the breach or violation of any laws applicable to Developer or the Project.

b. The City represents and warrants to Developer and the Authority that the following statements are true as of the Effective Date:

i. **No Litigation.** There is no pending or, to the City's actual knowledge, threatened litigation or claim against the City that would prohibit the City from performing its obligations in this Agreement or render this Agreement invalid.

ii. **Organization.** The City is a home rule municipal corporation organized under the constitution and laws of the State of Colorado, validly existing under the laws of the State of Colorado and has the power and authority to transact the business in which it is engaged.

iii. **Authority.** All governmental proceedings required to be taken on the part of the City to execute and deliver this Agreement and to consummate the transactions contemplated hereby have been duly and validly taken under the Grand Junction Municipal Charter provisions, subject to any referendum rights set forth in Article XVI Section 136 of such Grand Junction Municipal Charter. Each person executing and delivering this Agreement and all documents to be executed and delivered in regard to the consummation of the transaction herein has due and proper authority to execute and deliver those documents. This Agreement and all documents executed and delivered by the City in connection with the transaction herein shall constitute valid and binding obligations of the City, enforceable against the City in accordance with their terms.

iv. **No Breach or Prohibition.** To the City's actual knowledge, the transactions contemplated by this Agreement are not restrained or prohibited by any injunction, order or judgment rendered by any court or other governmental agency of competent jurisdiction against the City. To the City's actual knowledge, neither the execution and delivery of the Agreement, nor the consummation of the transactions contemplated hereby, will (a) be in violation of any agreements to which the City is a party, or (b) conflict with or result in the breach or violation of any laws applicable to the City or the Project.

c. The Authority represents and warrants to the City and Developer that the following statements are true as of the Effective Date:

i. **No Litigation.** There is no pending or, to the Authority's actual knowledge, threatened litigation or claim against the Authority that would prohibit the Authority from performing its obligations in this Agreement or render this Agreement invalid.

ii. **Organization.** The Authority is a body corporate and politic of the State of Colorado, validly existing under the laws of the State of Colorado and has the power to enter into this Agreement.

iii. **Authority.** All proceedings required to be taken on the part of the Authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby have been duly and validly taken under the

Authority's governing documents. Each person executing and delivering this Agreement has due and proper authority to execute and deliver this Agreement. This Agreement shall constitute a valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms.

iv. ***No Breach or Prohibition.*** To the Authority's actual knowledge, the transactions contemplated by this Agreement are not restrained or prohibited by any injunction, order or judgment rendered by any court or other governmental agency of competent jurisdiction against the Authority. To the Authority's actual knowledge, neither the execution and delivery of the Agreement, nor the consummation of the transactions contemplated hereby, will (a) be in violation of any agreements to which the Authority is a party, or (b) conflict with or result in the breach or violation of any laws applicable to the Authority.

[SIGNATURE PAGES TO FOLLOW]

The Parties hereby agree to the same and execute this Agreement by their duly authorized representatives as follows:

City of Grand Junction, Colorado




Mayor


City Clerk

October 10, 2022
Date

Downtown Grand Junction Development Authority



Authorized Signature
Doug Simons Jr.

Printed Name
10-11-2022

Date

Developer


Conjunction Junction, LLC,
a Colorado limited liability company

By: Western States Management Services, LLC,
a Colorado limited liability company,
its Manager

By: 

Tyler Richardson, Manager

Approved as to Substance:



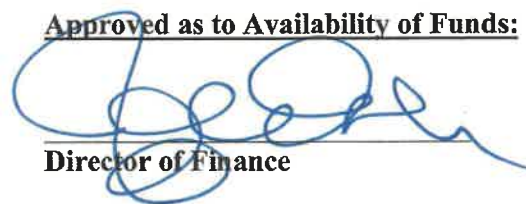
City Manager

Approved as to Legal Form:



City Attorney

Approved as to Availability of Funds:



Director of Finance

EXHIBIT A

Legal Description and Depiction

Lots 1 through 24, both inclusive, in Block 99 of THE CITY OF GRAND JUNCTION, together with the vacated East/West alleyway in Block 99 vacated by City Ordinance No. 2398 and recorded in Book 1709 at Page 1000 in the records of the Mesa County Clerk and Recorder, AND ALSO together with the North one-half of vacated Rood Avenue located 50 feet East of the East line of the intersection of First Street and Rood Avenue to the West line of the intersection of Second Street and Rood Avenue vacated by said City Ordinance No. 2398, AND ALSO together with the West one-half of vacated Second Street adjacent to the East Lines of Lots 12 and 13 in said Block 99 between the South Line of White Avenue and the North Line of Rood Avenue vacated by said City Ordinance No. 2398.

AND ALSO Lots 3 through 19, both inclusive, in Block 100 of THE CITY OF GRAND JUNCTION, EXCEPTING AND EXCLUDING THEREFROM the South 10 feet of Lots 13 through 19, Block 100 of THE CITY OF GRAND JUNCTION, together with the South one-half of the vacated Rood Avenue located 50 feet East of the East Line of the intersection of First Street and Rood Avenue to the West Line of the intersection of Second Street and Rood Avenue vacated by said City Ordinance No. 2398,

AND ALSO together with the North one-half of the vacated East/West alleyway adjacent to Lots 3 through 12 in said Block 100,

AND ALSO together with the South one-half of the vacated East/West alleyway adjacent to Lots 13 through 19 in said Block 100 vacated by said City Ordinance No. 2398, AND ALSO Lots 29 through 32, both inclusive, in Block 98, THE CITY OF GRAND JUNCTION, together with the East one-half of vacated Second Street and the South one-half of the vacated East/West alleyway in said Block 98 as set forth in Ordinance No. 2398 recorded September 16, 1988 in Book 1709 at Page 1000 of the records of the Mesa County Clerk and Recorder,

AND ALSO Lots 13, 14, 15 and 16 in Block 78 of THE CITY OF GRAND JUNCTION,

AND ALSO Lots 1 through 4, both inclusive, in Block 98 of THE CITY OF GRAND JUNCTION, together with the East one-half of vacated Second Street and the North one-half of the vacated East/West alleyway in said Block 98 as set forth in Ordinance No. 2398 recorded September 16, 1988 in Book 1709 at Page 1000 of the records of the Mesa County Recorder,

LESS AND EXCEPT that portion conveyed to the Department of Transportation, State of Colorado by Warranty Deed recorded April 14, 2021 at Reception No. 2976333 of the records of the Mesa County Clerk and Recorder,

All in Mesa County,
State of Colorado.

EXHIBIT B

Conceptual Plans

[to be attached]

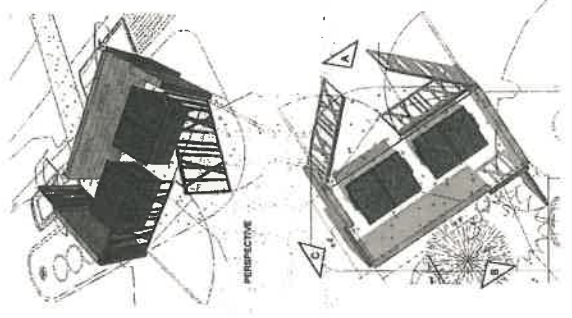
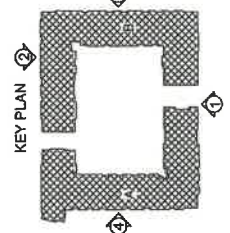
NO.	DESCRIPTION
1	WFF FOR CONSTRUCTION

NO.	DESCRIPTION	QTY	UNIT
1	WFF FOR CONSTRUCTION	1	EA

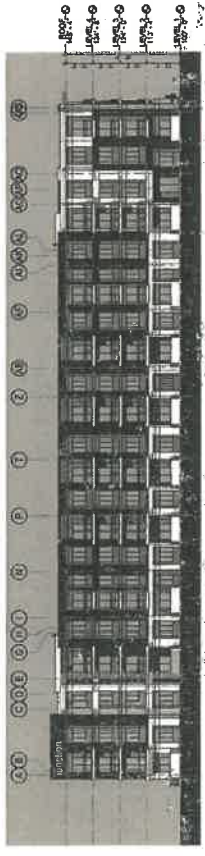
NO.	DESCRIPTION	QTY	UNIT
1	WFF FOR CONSTRUCTION	1	EA

NO.	DESCRIPTION	QTY	UNIT
1	WFF FOR CONSTRUCTION	1	EA

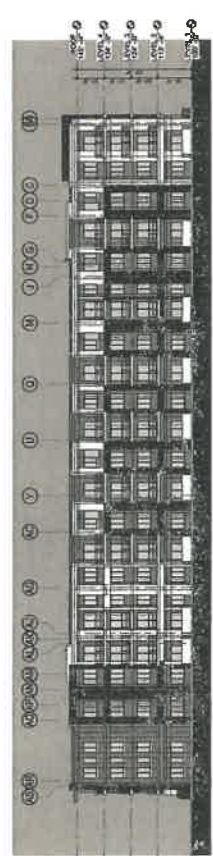
NO.	DESCRIPTION	QTY	UNIT
1	WFF FOR CONSTRUCTION	1	EA



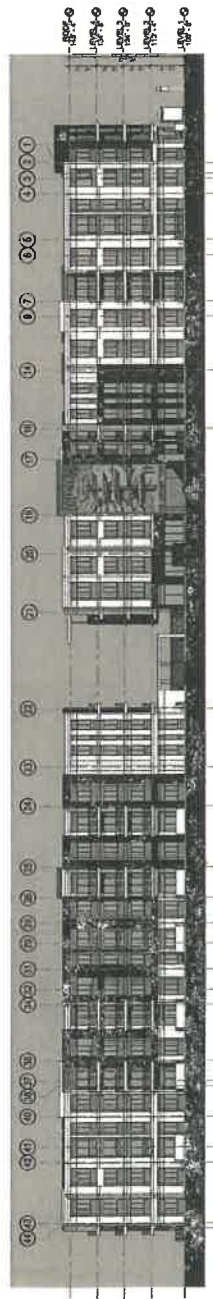
5 TRASH ENCLOSURE
1/8" = 1'-0"



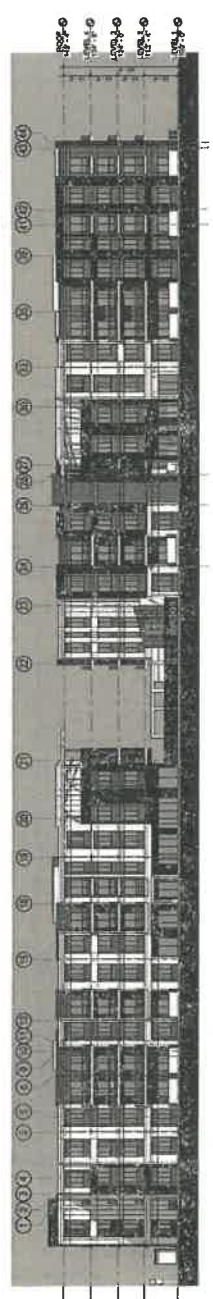
4 ELEVATION A - WEST ELEVATION
1/8" = 1'-0"



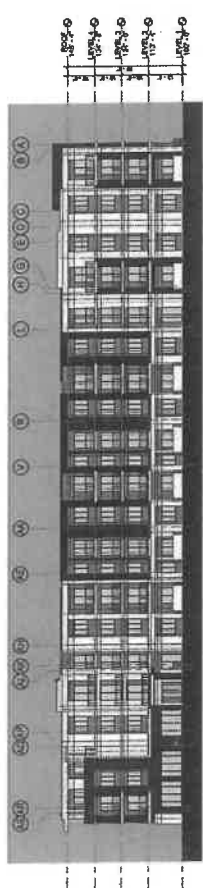
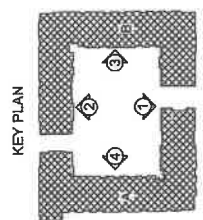
3 ELEVATION B - EAST ELEVATION
1/8" = 1'-0"



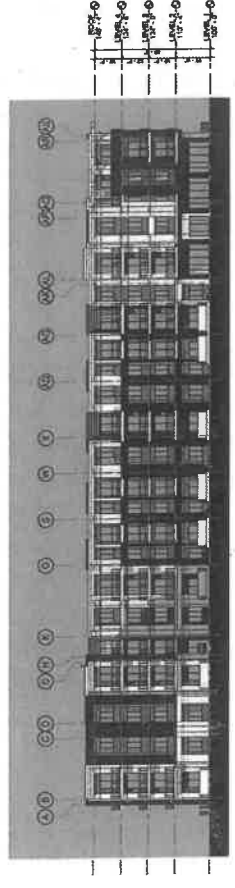
2 ELEVATION C - NORTH ELEVATION
1/8" = 1'-0"



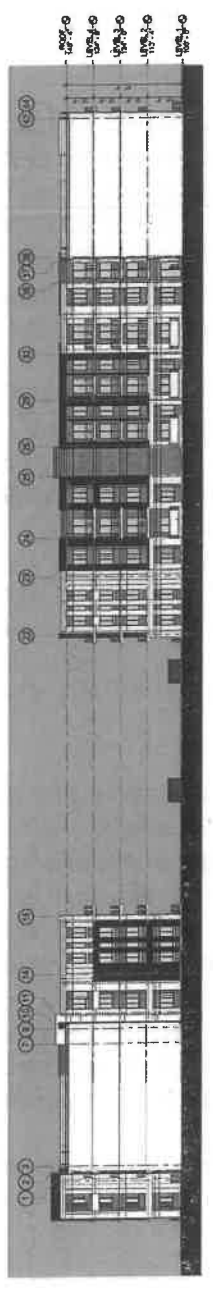
1 ELEVATION D - SOUTH ELEVATION
1/8" = 1'-0"

[illegible][illegible]

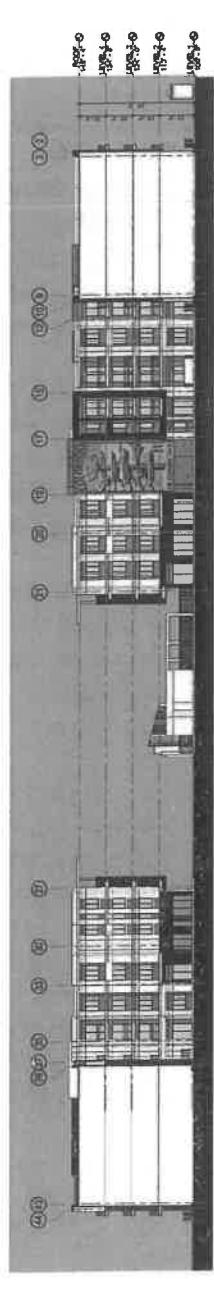
4 BUILDING A - COURTYARD EAST FACING ELEVATION
1/4" = 1'-0"



3 | BUILDING 9 - COURTYARD WEST FACING ELEVATION
1/16" = 1'-0"



2 | COURTYARD SOUTH FACING ELEVATION
1/16" = 1'-0"



1 | COURTYARD NORTH FACING ELEVATION
1/16" = 1'-0"

EXHIBIT C

Form of Memorandum of Redevelopment Agreement

Recording Requested By
And When Recorded Return To:
Brownstein Hyatt Farber Schreck, LLP
410 17th Street, Suite 2200
Denver, CO 80202
Attention: Charlie Smith

MEMORANDUM OF REDEVELOPMENT AGREEMENT

THIS MEMORANDUM OF REDEVELOPMENT AGREEMENT is made as of September __, 2022, by and among CONJUNCTION JUNCTION, LLC, a Colorado limited liability company, or its successors and assigns permitted in accordance with Paragraph 11 (“**Developer**”), the CITY OF GRAND JUNCTION, a Colorado Home Rule municipal corporation (“**City**”), and the DOWNTOWN GRAND JUNCTION DEVELOPMENT AUTHORITY, a body corporate and politic of the State of Colorado (“**Authority**”). Developer, City, and Authority are sometimes collectively called the “**Parties**,” and individually, a “**Party**.”

The Parties entered into that certain Redevelopment Agreement, dated September __, 2022 (the “**Redevelopment Agreement**”) pertaining to the redevelopment of the real property described therein and on Exhibit A, attached hereto (the “**Property**”). All initially capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Redevelopment Agreement.

Pursuant to the Redevelopment Agreement, the City has agreed to waive certain Fees, not to exceed the Fee Cap, and the Authority has agreed to make certain Authority Payments to the Developer, such obligations being contingent upon Developer having Commenced and Completed construction of the Project by the Commencement Deadline and Completion Deadline, respectively.

This Memorandum may be executed in counterpart originals, each of which shall be deemed an original, and each of which shall be deemed to constitute one and the same Memorandum. Additionally, a copy of an executed original Memorandum signed by a Party hereto and transmitted by electronic mail shall be deemed an original, and any Party hereto is entitled to rely on the validity, authenticity, and authority of an original transmitted by electronic mail. Nothing in this Memorandum shall be deemed or interpreted to amend the Redevelopment Agreement. In the event of any conflict between the terms and conditions of this Memorandum and the terms and conditions of the Redevelopment Agreement, the terms and conditions of the Redevelopment Agreement shall supersede and control. The purpose of this Memorandum is merely to provide notice of the existence of the Redevelopment Agreement.

[Remainder of page blank; signature pages follow]

**Downtown Grand Junction Development
Authority**



Authorized Signatory

Doug Simons Jr
Printed Name

10-11-22
Date

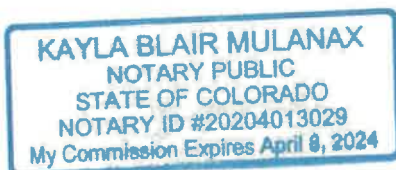
STATE OF COLORADO)
) ss.
COUNTY OF MESA)

The forgoing Memorandum of Redevelopment Agreement was acknowledged before me this
11th day of October, 2022, by Doug Simons Jr as Authorized Signatory of Downtown
Grand Junction Development Authority, a body corporate and politic of the State of Colorado.

Witness my hand and official seal. 
Notary Public

My commission expires: April 8, 2024

(SEAL)



[Signature Pages Continue]

The Parties hereby execute this Memorandum of Redevelopment Agreement by their duly authorized representatives as follows:

City of Grand Junction, Colorado




Mayor

STATE OF COLORADO)
) ss.
COUNTY OF MESA)

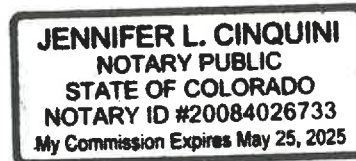
The forgoing Memorandum of Redevelopment Agreement was acknowledged before me this 10th day of October, 2022, by Anna Stout as Mayor of the City of Grand Junction, a Colorado Home Rule municipal corporation.

Witness my hand and official seal. Jennifer L. Cinquini
Notary Public

My commission expires: May 25, 2025

(SEAL)


City Clerk
Oct 18, 2022
Date



STATE OF COLORADO)
) ss.
COUNTY OF MESA)

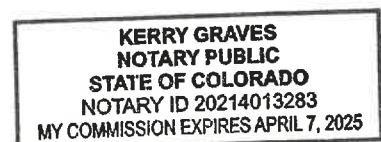
The forgoing Memorandum of Redevelopment Agreement was acknowledged before me this 10th day of October, 2022, by Amy Phillips as City Clerk of the City of Grand Junction, a Colorado Home Rule municipal corporation.

Witness my hand and official seal. Kerry Graves
Notary Public

My commission expires: April 7, 2025

(SEAL)

[Signature Pages Continue]



Developer

Conjunction Junction, LLC,
a Colorado limited liability company

By: Western States Management Services, LLC,
a Colorado limited liability company,
its Manager

By: 
Tyler Richardson, Manager

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The forgoing Memorandum of Redevelopment Agreement was acknowledged before me this
18th day of Oct., 2022, by Tyler Richardson as Manager of Western States Management
Services, LLC, a Colorado limited liability company, as Manager of Conjunction Junction, LLC,
a Colorado limited liability company.

Witness my hand and official seal.


Notary Public

My commission expires: 01-20-2023

(SEAL)

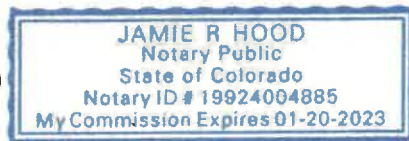


EXHIBIT "A"

Legal Description

Lots 1 through 24, both inclusive, in Block 99 of THE CITY OF GRAND JUNCTION, together with the vacated East/West alleyway in Block 99 vacated by City Ordinance No. 2398 and recorded in Book 1709 at Page 1000 in the records of the Mesa County Clerk and Recorder, AND ALSO together with the North one-half of vacated Rood Avenue located 50 feet East of the East line of the intersection of First Street and Rood Avenue to the West line of the intersection of Second Street and Rood Avenue vacated by said City Ordinance No. 2398, AND ALSO together with the West one-half of vacated Second Street adjacent to the East Lines of Lots 12 and 13 in said Block 99 between the South Line of White Avenue and the North Line of Rood Avenue vacated by said City Ordinance No. 2398.

AND ALSO Lots 3 through 19, both inclusive, in Block 100 of THE CITY OF GRAND JUNCTION, EXCEPTING AND EXCLUDING THEREFROM the South 10 feet of Lots 13 through 19, Block 100 of THE CITY OF GRAND JUNCTION, together with the South one-half of the vacated Rood Avenue located 50 feet East of the East Line of the intersection of First Street and Rood Avenue to the West Line of the intersection of Second Street and Rood Avenue vacated by said City Ordinance No. 2398,

AND ALSO together with the North one-half of the vacated East/West alleyway adjacent to Lots 3 through 12 in said Block 100,

AND ALSO together with the South one-half of the vacated East/West alleyway adjacent to Lots 13 through 19 in said Block 100 vacated by said City Ordinance No. 2398, AND ALSO Lots 29 through 32, both inclusive, in Block 98, THE CITY OF GRAND JUNCTION, together with the East one-half of vacated Second Street and the South one-half of the vacated East/West alleyway in said Block 98 as set forth in Ordinance No. 2398 recorded September 16, 1988 in Book 1709 at Page 1000 of the records of the Mesa County Clerk and Recorder,

AND ALSO Lots 13, 14, 15 and 16 in Block 78 of THE CITY OF GRAND JUNCTION,

AND ALSO Lots 1 through 4, both inclusive, in Block 98 of THE CITY OF GRAND JUNCTION, together with the East one-half of vacated Second Street and the North one-half of the vacated East/West alleyway in said Block 98 as set forth in Ordinance No. 2398 recorded September 16, 1988 in Book 1709 at Page 1000 of the records of the Mesa County Recorder,

LESS AND EXCEPT that portion conveyed to the Department of Transportation, State of Colorado by Warranty Deed recorded April 14, 2021 at Reception No. 2976333 of the records of the Mesa County Clerk and Recorder,

All in Mesa County,
State of Colorado.

EXHIBIT D

Form of Estoppel Certificate

To: CONJUNCTION JUNCTION, LLC, a Colorado limited liability company
("Developer")

From: [CITY OF GRAND JUNCTION, a Colorado Home Rule municipal corporation
("City")] [OR] [DOWNTOWN GRAND JUNCTION DEVELOPMENT
AUTHORITY, a body corporate and politic of the State of Colorado
("Authority")]

Date: _____, 20__

Re: The Redevelopment Agreement, dated as of _____, 2022, by and between
Developer, the [City / Authority], and the [CITY OF GRAND JUNCTION, a
Colorado Home Rule municipal corporation ("City")] [OR] [DOWNTOWN
GRAND JUNCTION DEVELOPMENT AUTHORITY, a body corporate and
politic of the State of Colorado ("Authority")]. Capitalized terms used but not
defined herein shall have the meanings ascribed to them in the Agreement.

The [City / Authority] hereby certifies, warrants, represents, and agrees, as of the
date hereof, as follows:

1. The Agreement is in full force and effect and has not been modified,
supplemented, or amended in any way, except as expressly described above.

2. The Developer has timely and fully performed its obligations under the
Agreement through the date of this Estoppel Certificate. There exists no default under, violation
of, or failure to comply with the Agreement, and no event has occurred, or circumstance exists
that, with the giving of notice or the lapse of time, or both, would constitute a default under,
violation of, or failure to comply with the Agreement.

3. The Commencement Deadline is _____ and the Completion Deadline is
_____.

4. The Developer Commenced the Project on _____ and Completed the
Project on _____. [modify as applicable]

5. Through the date of this Agreement, [the Authority has made \$ _____ in
Authority Payments] / [the City has waived or paid \$ _____ in Fees] in accordance with this
Agreement.

6. The [City / Authority] hereby approves of the Developer's assignment of
the Agreement to _____. [OR] _____ is a Permitted Assignee under the Agreement.
[modify as applicable]

7. The Agreement was approved by [the City at a public hearing held on ____ pursuant to Ordinance ____] / [the Authority at a public hearing held on ____ pursuant to Resolution ____].

8. The [City / Authority] agrees that ____ days of Force Majeure delays have accrued under the Agreement.

9. The [City / Authority] has not assigned the Agreement.

10. The undersigned is duly authorized to sign and deliver this Estoppel Certificate, and no other signature is required or necessary in connection with the execution and validity of this Estoppel Certificate. The representations and warranties of the [City / Authority] made in the Agreement are true, complete, and accurate as of the date of this Estoppel Certificate.

11. This Estoppel Certificate shall inure to the benefit of Developer and its successors, assigns, and lenders (the "**Reliance Parties**"), and the foregoing certificates, representations, warranties, and agreements shall be binding upon the [City / Authority] and its successors and assigns, and inure to the benefit of the Reliance Parties.

[signature on following page]

IN WITNESS WHEREOF, the undersigned has caused this Estoppel Certificate to be executed as of the day and year first written above.

[CITY OR AUTHORITY SIGNATURE BLOCK]

By: _____

Name: _

Title: __

EXHIBIT E

Preliminary Financing Plan

[to be attached]

The Junction - Preliminary Financing Plan**7/11/2022****Sources & Uses**

USES			
	Description	%	\$\$\$
1	Acquisition Costs	4%	\$ 2,600,000
2	Horizontal & Vertical Costs	73%	\$ 49,367,645
3	Soft Costs	8%	\$ 5,372,999
4	City Fees & Use Tax	3%	\$ 2,133,954
5	Contingency	9%	\$ 6,175,496
6	Lender Costs and Interest Reserve	3%	\$ 2,153,616
TOTAL USES			\$ 67,803,710
SOURCES			
	Description	%	\$\$\$
7	ANB Bank ⁽¹⁾	55%	\$ 37,292,040
8	City Waiver of Fees	3%	\$ 2,133,954
9	City Acquisition of ROOD Ave.,	0.4%	\$ 300,000
10	DDA Payments #1 & #2	1%	\$ 575,000
11	Equity ⁽²⁾	41%	\$ 27,502,716
TOTAL SOURCES			\$ 67,803,710

Footnotes:

1. Please see attached commitment letter from ANB Bank.
2. Equity is inclusive of \$3.2 million spent to date. Please see attached letter from a 3rd party CPA verifying sufficient funds.



July 13, 2022

Conjunction Junction LLC aka "The Junction"
200 Rood Ave.
Grand Junction, CO

Re: Bank financing

To whom it may concern:

ANB Bank is pleased to extend an approval to you for portfolio financing in the amount of \$37,500,000. The loan amount shall be limited to the lesser of 55% of the project cost or 60% of the appraised complete value.

This loan approval is based upon an analysis of information submitted by Conjunction Junction LLC and Richmark Holdings Inc. We have reviewed the project plans and budget and have determined that the development group has the expertise and financial capacity to complete the project. ANB Bank is pleased to be the lending partner on this project.

Thank you for choosing ANB Bank for your lending needs! We are committed to a smooth loan process and unparalleled customer service. Please contact call me directly at 970-254-1805 with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'CD' followed by a stylized flourish.

Chris Dunkin
Community Bank President
ANB Bank
2608 N 12th St
Grand Junction, CO 81501
NMLS ID #: 985181





Bartels & Company, LLC
CERTIFIED PUBLIC ACCOUNTANTS

July 13, 2022

To whom it may concern,

As the third party Certified Public Accountant for the Richardson family and their multiple business entities (collectively "Richmark") I am writing this letter to inform you that I have reviewed the organizational structure of Conjunction Junction, LLC (the "Company"), the sources and uses included in this Preliminary Financing Plan and the personal financials for each the of individual Richardson family members that are participating in the ownership of the Company.

Upon my review I can confirm that (i) the members of the Company are all individuals of the Richardson family and (ii) the members of the Company have the financial capacity to fund the equity as noted in the sources and uses. I acknowledge that the City of Grand Junction and the DDA is relying on this letter and the above representations in making their decisions.

Sincerely,

Richard J. Bartels
President

SCHEDULE 1

Authority Payments

Authority Payments	Amounts
Payment 1	\$ 225,000
Payment 2	\$ 350,000
Payment 3	\$ 600,000
Payment 4	\$ 700,000
Payment 5	\$ 600,000
Payment 6	\$ 500,000
Payment 7	\$ 300,000
Payment 8	\$ 225,000
Total	\$ 3,500,000