

ORDINANCE NO. 3926

AN ORDINANCE ESTABLISHING THE GRAND JUNCTION, COLORADO, STATE LEASING AUTHORITY, INC., PRESCRIBING CERTAIN REQUISITE TERMS FOR ITS OPERATION AND GOVERNANCE, AND AUTHORIZING IT TO CONSTRUCT AND LEASE A FACILITY TO THE COLORADO DEPARTMENT OF PUBLIC SAFETY AND TO ISSUE REVENUE BONDS TO DEFRAY THE COSTS THEREOF

Recitals

The City of Grand Junction ("City") has for many years worked to attract and maintain high quality private and governmental employers to the Grand Junction area.

Among the City's partners in such economic development efforts is the Grand Junction Economic Partnership ("G.J.E.P."), a Colorado not-for-profit 501(c)(3) corporation.

G.J.E.P. has entered into a Memorandum of Understanding ("MOU") dated July __, 2005, which contemplates the location of a Colorado Bureau of Investigation ("CBI") facility in Grand Junction (the "CBI Facility"). A copy of that MOU is attached as Attachment A.

The parties to the MOU envision creating a nonprofit corporation to construct, finance and own the CBI Facility and lease it to CBI for a period of years, subject to annual appropriation by the State of Colorado.

G.J.E.P. has requested the City to form such a corporation in furtherance of the City's stated municipal objective of attracting and maintaining diverse and high paying jobs to the community, and within the City's authority as a Colorado home rule city.

The City's staff and City Attorney have reviewed and considered the MOU, the Articles of Incorporation and By-Laws for the Grand Junction, Colorado, State Leasing Authority, Inc., a Colorado non-profit corporation (the "Corporation"), such Articles and Bylaws are attached as Attachment B to this Ordinance;

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

A. The City Council hereby finds and determines that attracting and retaining diverse and high paying jobs to Grand Junction and its environs (the "Community") is a matter of local concern.

B. The City Council hereby finds and determines that forming the Corporation to acquire, construct, finance and own the CBI Facility would further the City's stated

municipal objective of attracting and retaining diverse and high paying jobs to the Community.

C. The City Attorney and City staff are hereby authorized and directed to, with the assistance of bond counsel, complete the formation of the Grand Junction, Colorado State Leasing Authority, Inc. at the earliest possible date with the following five persons to serve as the initial Board of Directors:

Ann Driggers, Executive Director of Grand Junction Economic Partnership
David Varley, Interim City Manager
W. T. Sisson, Citizen of Grand Junction
James Fleming, Citizen of Grand Junction
Sam Baldwin, Citizen of Grand Junction

D. The Corporation shall be a body formed in and pursuant to the laws of the State of Colorado.

E. The Articles of Incorporation and Bylaws of the Corporation, substantially in the form attached hereto, are hereby approved.

F. The Corporation's Articles of Incorporation or Bylaws, as appropriate, shall provide in perpetuity as follows:

1. Upon dissolution of the Corporation, all assets shall be distributed to the City or an entity that is an instrumentality of the City for federal income tax purposes for a public purpose;
2. The members of the Board of Directors of the Corporation shall be appointed by the Grand Junction City Council, and the Corporation's Board of Directors or any one of them will resign promptly upon the request of the Grand Junction City Council;
3. The City shall be provided with copies of the Corporation's annual audit. The Books, records and other documents shall be kept and maintained in accordance with the Colorado Open Records Act;
4. The members of the Corporation's Board of Directors shall serve without compensation, and no part of the funds or earnings of the Corporation may inure for the benefit of or be distributed to its employees, officers, directors, members or any private individual or entity, except that the Corporation is authorized to pay reasonable compensation for services rendered and to reimburse its Directors for reasonable and necessary expenses related to their duties as Directors;

G. The Corporation is hereby authorized to issue revenue bonds not to exceed \$18,000,000 in face value (the "Bonds") payable solely from amounts paid by the lessee pursuant to a lease of the CBI Facility and proceeds derived from a foreclosure of any mortgage on the CBI Facility granted by the lessor in connection with the issuance of the Bonds, pursuant to its articles, bylaws and applicable law and will be considered to have been issued on behalf of the City for purposes of federal and state tax law, such Bonds to be sold at prices and upon terms as determined by the Corporation. The Bonds, however, shall be payable purely from revenues derived from the CBI Facility and shall not constitute a financial obligation of the City;

H. The Bonds hereby authorized to be issued by the Corporation shall be issued only when a fixed price contract for the completion of the CBI Facility has been executed and a lease of the CBI Facility, calling for lease payments sufficient to pay all occupancy costs and the principal and interest on the Bonds, all subject however to annual appropriation, has been entered into with the Colorado Department of Public Safety or Colorado Bureau of Investigation.

PASSED for PUBLICATION this 7th day of June, 2006.

ADOPTED on SECOND READING this 5th day of July, 2006.

/s/ James J. Doody

James J. Doody, President of City Council

ATTEST:

/s/ Stephanie Tuin

Stephanie Tuin, City Clerk

Attachment A

IDI COUNSEL

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225 North 5th Street, Suite 600
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GRAND JUNCTION ECONOMIC
PARTNERSHIP
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Ann Driggers, President
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UNDERWRITER

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MEMORANDUM OF UNDERSTANDING
(Grand Junction CBI Project)

THIS MEMORANDUM OF UNDERSTANDING is made the ____ day of July, 2005, between GRAND JUNCTION ECONOMIC PARTNERSHIP, INC., a Colorado non-profit corporation ("GJEP"), COLORADO BUREAU OF INVESTIGATION ("CBI"), a division of the Colorado Department of Public Safety ("CDPS"), COLORADO DEPARTMENT OF PERSONNEL AND ADMINISTRATION ("CDPA"), by and through State Buildings Real Estate Programs, FCI CONSTRUCTORS, INC., a Colorado corporation ("FCI"), BLYTHE DESIGN +, CO., a Colorado corporation ("Blythe"), STIFEL, NICOLAUS & COMPANY, INCORPORATED, Hanifen Imhoff Division ("Stifel"), and INDUSTRIAL DEVELOPMENTS, INC., a Colorado non-profit corporation ("IDI"), all collectively referred to herein as the "Parties."

RECITALS:

- A. CBI wishes to construct, equip, operate and eventually acquire a criminal justice facility in Grand Junction, Colorado; such construction and acquisition and the financing of such construction and acquisition is referred to herein as the "Project."
- B. State Buildings Real Estate Programs has assisted CBI in developing and applying appropriate criteria in selecting the Project site, and in choosing among contracting, design and financing participants.
- C. CBI has completed a competitive site selection process addressed not only to the choice of sites but also to the choice of project design, contractor, and financing structure. The Parties hereto have all devoted substantial time and resources to the solicitation of site proposals, the preparation and submission of such proposals, and the evaluation of all proposals.
- D. IDI, in its role as a local economic development affiliate of the Grand Junction Chamber of Commerce, owns, *inter alia*, certain real estate (the "Real Estate") more specifically described at Exhibit A hereto, which IDI is willing, on the terms and conditions generally set forth herein and on Exhibit F, to make available for the Project at no cost.
- E. GJEP, in its role as one of the primary economic development organizations in Mesa County, Colorado, seeks to facilitate the completion of the Project in Mesa County, by assembling the optimal combination of site, general contractor, and finance team, and by coordinating government and private sector cooperation.
- F. The Parties currently plan to finance the Project with revenue bonds issued by an "on behalf of" issuer as more fully outlined on Exhibit B hereto, which entity would be established by the City of Grand Junction. The Parties have considered a secondary option for financing the Project through the issuance of lease purchase certificates of participation ("COPs"), which structure is also outlined as an alternative on Exhibit B. However, pending final adjudication by the Colorado Supreme Court of whether COPs are debt, and pending specific legislative approval of COPs financing for the Project, the Parties are not pursuing COPs financing at this time.

G. The parties envision CDPS's acting as Lessee of the Project, acting for the use and benefit of CBI, which will actually occupy the facilities and make the rental payments. CDPS, where appearing hereafter in this Memorandum, shall mean "CDPS, for the use and benefit of the Colorado Bureau of Investigation."

H. FCI is a licensed general contractor capable of building facilities such as the planned CBI criminal justice facility. FCI, with the assistance of Blythe as architect, and all other contractors submitted budget estimates in response to that Roth-Sheppard Project Program Plan (one-story option) dated March 7, 2005, which with all attachments is hereinafter referred to as the "Program Plan" and incorporated herein by reference. The updated FCI budget estimate is now designated the "Preliminary GMP" and appears as Exhibit C hereto.

I. FCI, with the assistance of Blythe as architect, has tendered a form of Preliminary Guaranteed Maximum Price Design-Build Contract to govern the construction of the Project, which contract appears as Exhibit D hereto.

J. Stifel is a reputable underwriter of taxable and tax-exempt government obligations capable of structuring and selling the bonds or COPs to finance the Project in the most advantageous way possible for CBI.

K. The Parties wish to establish and memorialize their understanding for the completion of the Project, and their respective roles, rights and obligations, contingent upon the satisfaction of certain conditions set forth herein.

NOW, THEREFORE, in witness of the foregoing, the parties agree:

1. CDPS will diligently pursue legislative approval of the lease or lease purchase transaction and the Project, to the exclusion of other sites and other construction and financing alternatives.

2. IDI will hold the Real Estate for a period of twelve (12) months from August 15, 2005 for conveyance to a building authority or other Lessor able to participate in a lease or lease purchase transaction with CBI as lessee. Set forth on Exhibit F are the terms and conditions of the IDI conveyance.

3. FCI, with the assistance of Blythe as architect, will enter into a design-build contract generally in the form of that contract attached hereto as Exhibit D, with a building authority, non-profit corporation or corporate trustee acting as Lessor and nominal owner of the Project.

4. FCI, upon receipt of notice to proceed, shall complete the construction of the Project in accordance with the Preliminary GMP appearing as Exhibit C hereto, and pursuant to a contract in the form of that design-build contract appearing as Exhibit D hereto.

5. Stifel will structure and market the "on behalf of" revenue bonds or COPS financing as generally set forth in Exhibit G, subject to the conditions and assumptions set forth in paragraph 10 below.

6. GJEP and Stifel will assist in the formation by the City of Grand Junction of an "on behalf of" entity for the purposes of financing the Project and leasing it to CDPS.

7. GJEP will coordinate all local project efforts among the City of Grand Junction, FCI, IDI and Stifel, as well as seeking \$200,000 in financial relocation assistance for CBI from the City of Grand Junction. GJEP will also support IDI's efforts to obtain future land acquisition funding from traditional governmental partners.

8. IDI will diligently pursue all land use approvals for the development containing the Real Estate, and complete the installation of all infrastructure required by the Project as set forth on the Schedule/Task List appearing as Exhibit H hereto.

9. FCI will, in the course of its subcontracting the Project work, request bids from at least three (3) responsible subcontractors for each major Project component.

10. The obligations of IDI, CDPS and GJEP set forth in numbered paragraphs 2. and 8. (for IDI) and 1. (for CDPS) and 6. and 7. (for GJEP) are not conditional in any way. All other obligations of the Parties hereunder are based upon certain assumptions, such as legislative approval of the operating lease or relatively stable financial markets, and moderate inflation in Project costs; the failure of such assumptions to remain correct may impair the Parties' collective ability to complete the Project, despite their most diligent and expert efforts.

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IN WITNESS WHEREOF, the Parties hereto have set their hands the day and year first above written.

GRAND JUNCTION ECONOMIC PARTNERSHIP, a Colorado non-profit organization

By *Ann Driggets*
Ann Driggets, President

COLORADO DEPARTMENT OF PUBLIC SAFETY, COLORADO BUREAU OF INVESTIGATION

By _____
Robert Cantwell, Director

FCI CONSTRUCTORS, INC., a Colorado corporation

By *Shane Haas*
Shane Haas - Vice President

BLYTHE DESIGN +, CO., a Colorado corporation

By *Roy Blythe*
Roy Blythe, Secretary/Treasurer

COLORADO DEPARTMENT OF PERSONNEL AND ADMINISTRATION STATE BUILDINGS AND REAL ESTATE PROGRAMS

By _____
Mike Karbach, for the Executive Director

STIFEL, NICOLAUS & COMPANY, INCORPORATED Hanifen Imhoff Division

By _____
Steven D. Jeffers, Managing Director

INDUSTRIAL DEVELOPMENTS, INC., a Colorado non-profit corporation

By *Rob Birkley*
Rob Birkley, President

Index to MOU Exhibits

Exhibit A	Real Estate Legal Description
Exhibit B	Transaction Structure
Exhibit C	Preliminary G.M.P.
Exhibit D	Form of Design Build Contract (Lessor/CBI/FCI)
Exhibit E	Lease Purchase Agreement Term Sheet
Exhibit F	IDI Grant Terms
Exhibit G	Project Funds Sources and Uses Statement; Debt Service Schedule
Exhibit H	Project Time Line/Task Checklist
Exhibit I	Distribution List

EXHIBIT A
(Real Estate Legal Description)

Lots 4 and 5 of the Replat of Lot 2, 3D Minor Subdivision, City of Grand Junction, County of Mesa.

EXHIBIT B
(Transaction Structure)

"On behalf of" Financing

The essential participants in an "on behalf of" financing are:

- CDPS as the Lessee "for the use and benefit of CBI";
- A 501(c)(3) corporation or special purpose authority formed by a municipality to construct and own property "on behalf of" such municipality under IRC § 150(a)(5);
- Investors; and
- a corporate trustee.

The City of Grand Junction, as a Colorado home rule city, has the authority to form such an entity. Such entity's board members must be appointed by the City and be subject to removal by the City for cause, etc. The entity will have the power to acquire, lease and sell property and issue bonds in furtherance of its public purpose. The entity would issue tax-exempt revenue bonds with the consent and approval of the City, payable solely from lease revenues from the facility.

The lease would be an "operating lease," and CBI would not build equity as such in the facility during its occupancy. It is not possible under Colorado law for CDPS to take title to the property at nominal cost, or occupy it at nominal rent, following the end of the lease term. However, it will be possible for CDPS to purchase the property then at depreciated book value. Operations and maintenance expenses would be borne by CBI, either directly or as pass-through items under the lease.

At this point, the parties anticipate legislative approval for the operating lease in Summer of 2006, and an issuance of the authority's revenue bonds shortly thereafter. Appropriations for the 2006-2007 and 2007-2008 budget years in amounts not less than \$900,000 and \$290,000, respectively, will be sought for project design and engineering in order to reduce the total amount of the financing and reduce the CBI occupancy costs over time accordingly.

The finance team has also examined Lease-Purchase Certificates of Participation ("COPs") as a means of financing the facility. While COPs offer a better long-term occupancy cost to the state, they carry political disadvantages or risks that presently seem too weighty to accept. Nevertheless, the COPs structure is reviewed below just in case circumstances allow their use in the months ahead.

Lease Purchase COPs Financing

The essential participants in a Lease Purchase Financing would be:

- CDPS as the Lessee/Purchaser of the Project "for the use and benefit of CBI;"
- A building authority, corporate trustee or non-profit corporation to act as Owner/Lessor of the Project;

- Investors; and
- A corporate trustee.

The Lessor will own the Project but only in a bare legal sense to facilitate the financing. CBI will generally exercise all rights, and have all duties, of an owner of the Project. CBI will occupy the Project pursuant to an annual-appropriation lease that has been specifically approved by the Colorado state legislature (and initially approved outside the general appropriations bill - C.R.S. 24-82-801). While this annual-appropriation feature is essential and must be unrestricted, the lease will not contain additional discussions of "co-locations" of the CBI facility at some later time.

The lease is purely a "net lease;" that is, the rental payments are composed only of amounts necessary to pay principal and interest on the COPs issued to finance the Project. CBI will be responsible for all operations and maintenance expenses as though it were the owner of the Project.

The COPs represent fractional interests in the revenue stream that lease payments will constitute over the term of the lease. These payments are in turn comprised of interest and principal components the interest portion of which is generally tax-exempt to investors. If the transaction is structured as a lease purchase and if CDPS requests that CDPA acts as Lessee, the actual Lease-purchase Lessee will be the Colorado Department of Personnel and Administration "for the use and benefit of the Colorado Bureau of Investigation." Following the due payment of all lease payments under the lease purchase agreement, the CDPA would be free to convey the facility to CBI at no cost.

At the closing of the COPs financing, then, CDPS, acting for the use and benefit of CBI will execute the Lease Purchase Agreement with the Lessor entity. The Lessor will then execute an Indenture of Trust with the Trustee, assigning all its rights and obligations under the Lease Purchase Agreement to the Trustee, along with a mortgage interest in the Project, all for the benefit of the COPs investors. Going forward, the lease payments are made by CBI to the Trustee, who in turn remits appropriate payments to the COPs investors.

In the case of a non-appropriation event, the Trustee takes steps on behalf of the COPs investors to recover the Project and either sell it or re-lease it on the best possible terms. If the COPs are insured, the insurer makes the scheduled COPs payments and directs the Trustee's attempts to realize on the collateral. At this point, the parties anticipate legislative approval for the described financing in Summer of 2006, and an issuance of the COPs shortly thereafter.

EXHIBIT C
(Preliminary G.M.P.)

EXHIBIT C
(Preliminary G.M.P.)



PROJECT:

COLORADO BUREAU OF INVESTIGATION
WEST SLOPE FACILITY

PREPARED FOR:

GRAND JUNCTION ECONOMIC PARTNERSHIP
GRAND JUNCTION, CO.

PRELIMINARY GMP FOR DESIGN / BUILD LEASE PROPOSAL
1 STORY BUILDING OPTION - IDI (NORTH CREST) SITE GRAND JUNCTION, CO.

July 1, 2005
REVISION #1

FCI Constructors, Inc.

Project:
 COLORADO BUREAU OF INVESTIGATION
 WEST SLOPE FACILITY
 PRELIMINARY GMP FOR DESIGN / BUILD LEASE
 PROPOSAL
 PROJECT COST SUMMARY

NEW CONSTR.
 RENOVATION

Date: July 1, 2005
 37,920 SINGLE STORY OPTION
 GRAND JUNCTION - IDI
 - SITE

DESCRIPTION	COSTS	NOTES
CONSTRUCTION COSTS		
SUBTOTAL- BUILDING & SITE COSTS -INCLUDING ARCHITECTURAL & ENGINEERING FEES \$	11,617,988	TOTAL CARRIED FORWARD
PROJECT DEVELOPMENT COSTS		
ARCHITECTURE & ENGINEERING COSTS INCLUDED ABOVE		SEE DIRECT COST SUMMARY
PROPERTY SURVEY \$	10,000	ALLOWANCE
GEOTECHNICAL SURVEY & SOILS REPORT \$	7,500	ALLOWANCE
SPECIAL INSPECTION FEES \$	15,000	ALLOWANCE
UTILITY/TESTING FEES \$	2,000	ALLOWANCE
EXCEL ENERGY- GAS SERVICE TO SITE \$	5,000	ALLOWANCE
GRAND VALLEY POWER- ELECTRICAL SERVICE TO SITE \$	20,000	ALLOWANCE
QUEST - TELEPHONE SERVICE TO SITE \$	10,000	ALLOWANCE
FIBER OPTIC SERVICE TO SITE-ALLOWANCE \$	60,000	ALLOWANCE
TAP FEE- WATER SERVICE \$	52,500	UTE WATER
TAP FEE- SANITARY SEWER SERVICE \$	30,000	ALLOWANCE
TAP FEE- STORM SEWER	N/A	
SUBTOTAL- PROJECT DEVELOPMENT COSTS \$	212,000	
PROJECT FINANCING COSTS		
BOND FINANCING COST OF ISSUANCE \$	90,000	
BOND FINANCING UNDERWRITER'S DISCOUNT \$	101,100	
BOND CERTIFICATE INSURANCE \$	149,867	
DEBT SERVICE RESERVE FUND \$	1,180,621	
CAPITALIZED INTEREST \$	1,223,500	
ACCRUED INTEREST \$	8,138	
CONTINGENCY \$	250,000	
ADDITIONAL PROCEEDS \$	507	
SUBTOTAL- PROJECT FINANCING COSTS \$	3,003,733	
PROJECT F.F. & E. COSTS		
OFFICE FURNITURE & FURNISHINGS \$	-	BY CBI/DPS
OFFICE EQUIPMENT \$	-	BY CBI/DPS
TELEPHONE SYSTEM- HARDWARE \$	-	BY CBI/DPS
DATA SYSTEM- HARDWARE \$	-	BY CBI/DPS
SECURITY SYSTEM- CBI UPGRADES \$	-	BY CBI/DPS
AUDIO VISUAL EQUIPMENT \$	-	BY CBI/DPS
VEHICLE SERVICE EQUIPMENT \$	-	BY CBI/DPS
LAB/FORENSICS EQUIPMENT \$	-	BY CBI/DPS
ARTWORK \$	-	BY CBI/DPS
SUBTOTAL- PROJECT F.F. & E. COSTS \$	-	
TOTAL ESTIMATED PROJECT COST \$ 14,833,721		

FCI Constructors, Inc.

Project:
 COLORADO BUREAU OF INVESTIGATION
 WEST SLOPE FACILITY
 PRELIMINARY GMP FOR DESIGN / BUILD LEASE
 PROPOSAL

Date: July 1, 2005
 NEW CONSTR. 37,920 SINGLE STORY OPTION
 RENOVATION - GRAND JUNCTION- IDI SITE

DIRECT COST SUMMARY

DESCRIPTION	TOTAL SF 37,920		NOTES
	TOTAL COST	COST/SF	
1000 GENERAL CONDITIONS	\$ 396,888	\$ 10.47	14 MONTHS IDI NORTH CREST SITE INCLUDES DEEP FDNS
2000 SITE WORK	\$ 594,789	\$ 15.69	
2000 SITEWORK - BUILDING	\$ 254,947	\$ 6.72	
3000 CONCRETE	\$ 195,773	\$ 5.16	
4000 MASONRY	\$ 313,201	\$ 8.26	
5000 METALS	\$ 442,024	\$ 11.66	
6000 WOOD & PLASTICS	\$ 115,107	\$ 3.04	
7000 THERMAL & MOISTURE PROTECTION	\$ 464,207	\$ 12.24	
8000 DOORS & WINDOWS	\$ 302,712	\$ 7.98	
9000 FINISHES	\$ 848,415	\$ 22.37	
10000 SPECIALTIES	\$ 118,369	\$ 3.12	
11000 EQUIPMENT	\$ 567,864	\$ 14.98	
12000 FURNISHINGS	\$ 710,682	\$ 18.74	
13000 SPECIAL CONSTRUCTION	\$ -	\$ -	
14000 CONVEYING SYSTEMS	\$ -	\$ -	
15000 MECHANICAL	\$ 2,045,784	\$ 53.95	
16000 ELECTRICAL	\$ 1,050,384	\$ 27.70	
SUBTOTAL - DIRECT COST	\$ 8,421,145	\$ 222.08	
ESCALATION	\$ 505,269	\$ 13.32	6% ALLOWANCE IN CM/GC FEE
PRECONSTRUCTION FEE	\$ -	\$ -	
BID CONTINGENCY	\$ 168,423	\$ 4.44	2.00%
CONSTRUCTION CONTINGENCY	\$ 429,478	\$ 11.33	5.00%
BUILDERS RISK INSURANCE	\$ 22,785	\$ 0.60	
GENERAL LIABILITY INSURANCE	\$ 43,400	\$ 1.14	
PROPERTY SURVEY	\$ -	\$ -	
SOILS INVESTIGATION/GEOTECHNICAL ENGINEERING	\$ -	\$ -	SEE PROJECT DEV. COST
MATERIALS TESTING / INSPECTION	\$ 50,000	\$ 1.32	SEE PROJECT DEV. COST
PLANNING APPLICATIONS/PERMIT/PLAN REVIEW FEES	\$ 16,600	\$ 0.44	ALLOWANCE
ARCHITECTURAL DESIGN & ENGINEERING (A/C/S/M&E)	\$ 1,133,583	\$ 29.89	AMOUNT TO BE VERIFIED
DESIGN BUILDER PAYMENT/PERFORMANCE BONDS	\$ 67,250	\$ 1.77	
DESIGN BUILDER CONSTRUCTION PHASE FEE	\$ 760,055	\$ 20.04	
TOTAL ESTIMATED COST	\$ 11,617,988	\$ 306.38	

Colorado Bureau of Investigation
West Slope Facility
Grand Junction, CO.

Preliminary GMP 1 Story Option
Clarifications & Assumptions
May 06, 2005

A. Project Information

1. Project size: New Construction: 37,920 SF (total gross building area, on 1 floor)
2. Estimated design and construction schedule/duration: 18 Months
Start date: July 1, 2006
Completion: January 1, 2008

B. General Clarifications

1. This estimate is based on a single story 37,920 sf building. The building footprint is assumed to be approximately 230 ft. by 165 ft. This estimate is based on RFP programming documents, as prepared by Roth + Sheppard, dated 3/7/05.
2. This estimate represents specifically identified construction costs only. Therefore all other costs identified as "Owner's Costs" are not included. The following items are considered to be Owner's Costs:
 - CBI administrative costs or fees.
 - Program Management/Owner Representative fees, or reimbursables.
 - Legal fees or expenses.
 - F. F. & E. items (Furniture, Fixtures, and Equipment).
 - Land costs.
 - Development fees.
 - Interior Plantings/Landscaping.
 - Artwork.
 - Owner's Construction Contingency.
 - Owner's Design Contingency.
 - Public Relations Costs.
3. This estimate does not include any costs associated with hazardous materials abatement.
4. Sales tax is not included. This project is tax exempt.
5. Pricing depicted in this estimate is predicated on a minimum of three (3) acceptable manufacturers for each item specified. If the Owner has a preferred material vendor/equipment supplier, any premium cost associated with that item will result in a corresponding adjustment in the cost of the work.

Colorado Bureau of Investigation
West Slope Facility
Grand Junction, CO.

Preliminary GMP 1 Story Option
Clarifications & Assumptions
May 06, 2005

B. General Clarifications

6. An allowance of 6% of direct construction cost has been included for escalation. Based on the un-certainties of the market and the start date of this project, it is anticipated that the escalation allowance be adjusted to a mutually acceptable cost index when the actual project start date has been determined.

C. Exclusions

1. Unloading, handling, or installation of Owner provided materials or equipment.
2. Telephone/data equipment (telephone switching, handsets, PBX units, computers, network servers, printers, scanners, etc.)
3. All loose equipment and furnishings equipment.
 - Office furniture- tables, chairs, desks, modular furniture, demountable office partitions, etc.
 - Office furnishings – loose shelving, filing cabinets, trash bins, loose storage cabinets.
 - Vending machines or equipment.
4. Cable or Satellite TV cabling or equipment.
5. Commercial food service equipment and food preparation areas.

Colorado Bureau of Investigation
West Slope Facility
Grand Junction, CO.

Preliminary GMP 1 Story Option
Clarifications & Assumptions
May 06, 2005

D. Clarifications/Assumptions

Site Work

1. This estimate is based on an improved building site of 3.0 acres. The improvements installed prior to complete site development include sanitary sewer and water service brought to the property line.
2. Due to anticipated soil conditions, the cost of over-excavating within the building footprint and beneath vehicular pavement areas has been included. Within the building footprint, 24" of existing material will be removed and replaced with 36" of imported structural fill material – enabling the building floor elevation to be raised approximately 1 foot. An additional 24" will be over-excavated from beneath building foundations and replaced with structural fill.

The soil within vehicular pavement areas will be over-excavated 18" and replaced with structural fill material.
3. Paved vehicular parking and circulation is 3" of asphalt over 12" of roadway base material.
4. Sidewalks and the pavement at the "Public Plaza" are constructed as follows:
 - 4" thick concrete, reinforced with 6 X 6/ W2.1 wire mesh.
 - Control/ scored joints are at 6 feet on center.
 - Standard light broom finish.
 - No premiums are provided for integral or stained color additives or special surface treatments such as exposed aggregate.
5. Concrete curbs are provided at the perimeter of parking areas.
6. Concrete slabs (8" thick w/24" turned down edge) are provided for the "Large Evidence Storage" area, the emergency generator, and the trash compactor.
7. The 8" thick perimeter site security wall – constructed with 4" CMU and a 4" brick veneer is supported by:
 - A continuous wall footing – 24"W X 12" D, reinforced at 50#/CY.
 - A concrete stem wall – 12" H X 8" TH, reinforced at 80#/CY.
8. The following scope allowances have been made for site utility services:
 - Storm sewer – 500 lf of piping (15" average diameter) 3 manhole/inlet structures, and 1 oil / water separator (for the vehicle garage).
 - Sanitary sewer – 125 lf of piping (8" diameter), 2 manhole structures, and 1 acid neutralization tank.

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D. Clarifications/Assumptions

Site Work

- Water service – 100 lf of domestic water piping (6" diameter), 600 lf of fire water piping, and 3 fire hydrants.
 - Gas service – 100 lf of gas piping to the meter.
 - Electrical service- 150 lf underground duct banks.
9. An allowance of \$10,000 has been included for parking lot lighting.
 10. An allowance of \$2,500 has been provided for lighting at the Public Plaza.
 11. Chain link fencing (8' H) has been included for enclosure of Large Property Storage, emergency generator, and the trash compactor.
 12. Two (2) ground set flagpoles have been included.
 13. The barricades at the Public Plaza are based on the use of precast concrete planters filled with soil and plant materials.
 14. An allowance of \$33,500 has been included for landscaping and irrigation work (not including the cost of the precast planters).

Foundations / Substructure

15. Building columns are supported by pile foundations. Pricing for pile foundation work is based on 10" diameter concrete-filled pipe piles-driven to an average depth of 45 feet (refusal). A pile load test is not anticipated to be required and is therefore not included in this estimate.
16. Exterior building walls are supported by continuous concrete grade beams (30" D X 12" TH, reinforced at 12#/lf) that span between perimeter column foundations (pile caps).
17. The building floor slab is a 5" thick slab placed over 6" of stone drainage base material. The floor slab is reinforced with a single layer of #4 bars at 18" on center, each way. Floor slabs will receive a standard trowel finish. The cost of slab tolerances exceeding 1/8" in 10 feet ("super flat" floor slab) is not included. The building slab at the Evidence Archive Storage Room has been supplemented with additional concrete (7") and reinforcing steel (2.0#/SF).
18. Bituminous dampproofing is provided at the perimeter grade beams.
19. 2" thick rigid insulation (24" wide) is provided at the perimeter foundations.

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D. Clarifications/Assumptions

Superstructure

20. The building superstructure costs are based on the following parameters:
- A steel framed building with a floor to roof structure height of 16 feet.
 - Steel columns are spaced on approximate 28' foot centers in both directions.
 - The steel structure is a moment frame with welded connections at columns to beams along the grid lines in both directions.
 - Infill roof framing is open web steel joists.
- The overall steel framing system is based on an average weight of 7.50#/sf of framed area. In addition, an allowance of 500#/ea has been provided for additional framing at HVAC roof-top units.
21. The roof deck is 1 1/2" deep 20 gage (type B) material. The roof deck has a G60 coating. Perimeter edge stops at roof edges and roof openings are gage metal material. Concrete fill at roof decking is not included.
22. A hung lintel system (allowance of 35#/lf) is provided at the exterior walls above window openings for support and attachment.
23. Fireproofing of the steel structure is not included.

Exterior Closure

24. The typical exterior wall veneer is 4" face brick (allowance of \$500/M for material) attached to the wall framing system-described below. The brick is set in a running bond. No premiums have been included for the use of special coursing or the use of multiple masonry materials.
25. Perimeter exterior wall construction consists of:
- 6" metal stud framing (assumed 16 gage) spaced at 16" on center.
 - 5/8" exterior wall sheathing.
 - 6" wall insulation.
 - Tyvek vapor barrier.
 - 5/8" gypsum board at inside face- taped and finished (smooth).
26. Perimeter exterior windows and curtainwalls are aluminum-framed systems with 1" thick insulating glass with a solar tint. The aluminum framing is based on the use of the manufacturer's standard extrusions. Aluminum surfaces will have an anodized finish. Operable window units are not included. Ballistic rated glazing is provided as indicated.
27. Horizontal blinds are provided at windows.

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Roofing

28. The roofing system is a single ply membrane system (EPDM) fully adhered. Positive drainage of the roof surface to roof drains and overflow scuppers will be achieved by sloping of the roof structure. Therefore roofing insulation is typically not tapered (except as required around roof openings).
29. A 24" high roof parapet is provided-framed from the same materials as the typical exterior wall system. The coping at the parapet is a break-formed aluminum piece with a painted (kynar) or anodized finish.
30. Aluminum and glass skylights are provided as indicated on the conceptual design documents. The continuous lean-to skylight unit over the corridor is assumed to have one side wall 5 feet high and another sidewall 1 foot high. The other smaller skylights over the labs are assumed to be double sloped gable ended units. Barrier bars are not provided at the skylight units.
31. Two roof access hatches are provided.

Interior Construction / Finishes

32. Full height concrete masonry walls (8" TH CMU) are provided at the Fire Arms Test Range. The walls are grouted solid and reinforced vertically at 32" on center.
33. 12" thick CMU walls are provided at the perimeter of the Vehicle Garage and Processing area.
34. Drywall partitions are provided as the typical interior wall construction. Full height rated walls are provided at all corridors, at all lab partitions (except where noted above as CMU). Ceiling height walls are provided at demising walls between offices. The typical interior wall assembly consists of 3 5/8" metal stud framing, one layer of 5/8" gypsum board – each side, and acoustical insulation. Drywall surfaces are taped and finished smooth. Textured or knock-down finishes are not included.
35. All millwork has a plastic laminate veneer. Countertops for base cabinets are plastic laminate.
36. Lavatory countertops are included as solid surface material – no integral bowls.
37. An allowance of \$10,000 has been included for the Lobby reception desk/counter.

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Interior Construction / Finishes

38. Interior door frames are typically 3' X 7' hollow metal (6' X 7' at designated double openings), 16 gage with welded corners. All frames have a standard throat profile- 2" face at jambs and head. Hospital door stops are not provided.
39. Interior doors are solid core wood with a plain sliced (assumed red oak) veneer. Doors are pre-machined and pre-finished.
40. An allowance of \$350/set has been included for the purchase of door hardware.
41. Three (3) 12' X 14' coiling overhead doors are provided at the vehicle garage area. The doors are insulated and electrically operated.
42. One (1) coiling counter shutter is provided at the Evidence Intake counter.
43. Hollow metal windows (interior) are provided at interview rooms (as indicated). For borrow light frames at laboratories, an allowance of 210 lf of 48" high windows has been included. Glazing for borrow light frames is 1/4" thick clear tempered glass.
44. Ceramic floor tile is installed with thin set material.
45. Ceramic wall tile is adhesive set to the wall substrate. Wall tile in toilet rooms is placed to ceiling height on all walls. Tile backer board is provided at walls in showers.
46. Acoustical ceilings are typically 2' X 2' panels set in an exposed tee grid system-direct hung from the structure. The grid system is painted steel (white). Vinyl coated ceiling panels are provided in lab areas.
47. Drywall ceilings are provided in toilet/shower rooms and the Main Lobby. Pricing for DW ceilings is based on a single layer application on black-iron suspension system. Premiums for light coves or ceiling coffers are not included.
48. All carpeting is broadloom material, direct glue down. An allowance of \$22.00/SY is included for the purchase (including adhesive) and delivery of the carpet material.
49. Paint at office areas is latex material. In laboratories and associated support areas, epoxy paint is provided.

Specialties

50. One (1) 8' X 4' dry marker board is provided at each laboratory and two (2) each at the Training room.

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Specialties

51. Toilet partitions are painted steel, overhead braced material.
52. Stainless steel crash rails are provided at lab corridors.
53. Kevlar is provided at the walls of the Gun Cleaning Room – to ceiling height.
54. Lockers are single – tier, painted steel units with a factory base.
55. One (1) vinyl faced operable wall unit is provided at the Training Room.
56. Shelving (high density moveable units) is provided at the Evidence Archive Storage Room.

Equipment

57. The following break room residential appliances are provided:
 - Refrigerator – 1 each.
 - Microwave oven – 1 each.
58. One ceiling mounted projection screen is provided at the Training Room.
59. A two-post vehicle lift (10,000 lb. capacity) is provided at the Vehicle Processing garage.
60. Allowances for the following types/pieces of laboratory equipment has been included as part of the construction cost (refer to the FCI cost Estimate detail for specific items and allowance amounts):
 - Fume hoods.
 - Bio-safety cabinets.
 - Walk-in freezer & refrigerator.
 - Task exhaust lights.
 - Bullet recovery system.
 - Passive bullet trap.
 - Fire arms test range system.
 - Light tables.
 - Photo sinks.
 - Lab glassware washers.
 - Water mixing panels.
 - X-ray film viewers.
 - Silver recovery units.
 - Lab refrigerators & freezers.
 - Autoclave.

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Furnishings

61. Two (2) recessed/framed entry mats are provided.
62. Laboratory casework, including storage cabinets and lockers is provided per the lab layouts. Casework cabinets (base and wall) are wood veneer material. Countertops are epoxy resin material.

Mechanical

63. It is assumed that the building will be fully protected with fire sprinklers. Pricing for the fire protection system is based on a ordinary hazard rating. It is assumed that sufficient pressure exists in the existing water service. The cost of a booster pump has not been included.
64. Plumbing costs are based on historical costs for office/laboratory facilities.
65. HVAC costs are based on the following parameters:
 - Packaged roof-top units.
 - Ducted return system.
 - Lab exhaust requirements.
 - DDC Controls.

Electrical

66. Electrical costs are based on historical costs for office/laboratory facilities.

End of Clarifications & Assumptions.

EXHIBIT D
(Form of Design Build Contract (Lessor/CBI/FCI))



Standard Form of Agreement Between Owner and Design-Builder With Cost Plus Fee with an Option for a Guaranteed Maximum Price

*This document has important legal consequences. Consultation with
an attorney is recommended with respect to its completion or modification.*

This **AGREEMENT** is made as of the _____ day of _____
in the year of **2005** by and between the following parties, for services in connection with the Project identified
below:

OWNER:

(Name and address)

Building Authority???

DESIGN-BUILDER:

(Name and address)

**FCI Constructors, Inc.
PO Box 1767
Grand Junction, CO 81502**

PROJECT:

*(Include Project name and location
as it will appear in the Contract
Documents)*

**Colorado Bureau of Investigations
West Slope Facility
Grand Junction, CO**

In consideration of the mutual covenants and obligations contained herein, Owner and Design-Builder agree
as set forth herein.

Article 1

Scope of Work

1.1 Design-Builder shall perform all design and construction services, and provide all material, equipment, tools and labor, necessary to complete the Work described in and reasonably inferable from the Contract Documents.

Article 2

Contract Documents

2.1 The Contract Documents are comprised of the following:

- .1 All written modifications, amendments (including, as applicable, the GMP Exhibit referenced in Section 6.5.1.1 hereof or the GMP Proposal accepted by Owner in accordance with Section 6.5.2 hereof) and change orders to this Agreement issued in accordance with DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder* (1996 Edition) ("General Conditions of Contract");
- .2 This Agreement, including all exhibits (but excluding, if applicable, the GMP Exhibit) and attachments;
- .3 Written Supplementary Conditions, if any, to the General Conditions of Contract;
- .4 The General Conditions of Contract;
- .5 Construction Documents prepared and approved in accordance with Section 2.4 of the General Conditions of Contract;
- .6 Owner's Project Criteria; and
- .7 The following other documents, if any: *(List, for example, Unit Price Schedules, Design-Builder's Alternates, Performance Standard Requirements, Owner's Permit List and any other documents Owner and Design-Builder elect to make a Contract Document)*

FCI Rental Rate Sheet

Article 3

Interpretation and Intent

3.1 The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Time(s) for the Contract Price. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards. In the event of any inconsistency, conflict, or ambiguity between or among the Contract Documents, the Contract Documents shall take precedence in the order in which they are listed in Section 2.1 hereof.

3.2 Terms, words and phrases used in the Contract Documents, including this Agreement, shall have the meanings given them in the General Conditions of Contract.

3.3 The Contract Documents form the entire agreement between Owner and Design-Builder and by incorporation herein are as fully binding on the parties as if repeated herein. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents.

Article 4

Ownership of Work Product

4.1 Work Product. All drawings, specifications and other documents and electronic data furnished by Design-Builder to Owner under this Agreement ("Work Product") are deemed to be instruments of service and Design-Builder shall retain the ownership and property interests therein, including the copyrights thereto.

4.2 Owner's Limited License Upon Payment in Full. Upon Owner's payment in full for all Work performed under the Contract Documents, Design-Builder shall grant Owner a limited license to use the Work Product in connection with Owner's occupancy of the Project, conditioned on Owner's express understanding that its use of the Work Product is at Owner's sole risk and without liability or legal exposure to Design-Builder or anyone working by or through Design-Builder, including Design Consultants of any tier (collectively the "Indemnified Parties").

4.3 Owner's Limited License Upon Owner's Termination for Convenience or Design-Builder's Election to Terminate. If Owner terminates the Project for its convenience as set forth in Article 8 hereof, or if Design-Builder elects to terminate this Agreement in accordance with Section 11.4 of the General Conditions of Contract, Design-Builder shall, upon Owner's payment in full of the amounts due Design-Builder under the Contract Documents, grant Owner a limited license to use the Work Product to complete the Project and subsequently occupy the Project, conditioned on the following:

- .1 Use of the Work Product is at Owner's sole risk without liability or legal exposure to any Indemnified Party; and
- .2 Owner agrees to pay Design-Builder the additional sum of Dollars (\$ _____) as compensation for the right to use the Work Product in accordance with this Article 4 if Owner resumes the Project through its employees, agents, or third parties.

4.4 Owner's Limited License Upon Design-Builder's Default. If this Agreement is terminated due to Design-Builder's default pursuant to Section 11.2 of the General Conditions of Contract and (i) it is determined that Design-Builder was in default and (ii) Owner has fully satisfied all of its obligations under the Contract Documents, Design-Builder shall grant Owner a limited license to use the Work Product in connection with

Owner's completion and occupancy of the Project. This limited license is conditioned on Owner's express understanding that its use of the Work Product is at Owner's sole risk and without liability or legal exposure to any Indemnified Party.

4.5 Owner's Indemnification for Use of Work Product. If Owner uses the Work Product under any of the circumstances identified in this Article 4, Owner shall defend, indemnify and hold harmless the Indemnified Parties from and against any and all claims, damages, liabilities, losses and expenses, including attorneys' fees, arising out of or resulting from the use of the Work Product.

Article 5

Contract Time

5.1 Date of Commencement. The Work shall commence within five (5) days of Design-Builder's receipt of Owner's Notice to Proceed ("Date of Commencement") unless the parties mutually agree otherwise in writing.

5.2 Substantial Completion and Final Completion

5.2.1 Substantial Completion of the entire Work shall be achieved no later than **TBD** _____ (_____) calendar days after the Date of Commencement ("Scheduled Substantial Completion Date").

5.2.2 Interim milestones and/or Substantial Completion of identified portions of the Work shall be achieved as follows: *(Insert any interim milestones for portions of the Work with different scheduled dates for Substantial Completion)*

All work to be completed in sufficient time to allow for full use of the facility of on or before June 30, 2008.

5.2.3 Final Completion of the Work or identified portions of the Work shall be achieved as expeditiously as reasonably practicable.

5.2.4 All of the dates set forth in this Article 5 ("Contract Time(s)") shall be subject to adjustment in accordance with the General Conditions of Contract.

5.3 Time is of the Essence. Owner and Design-Builder mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents.

5.4 Liquidated Damages. Design-Builder understands that if Substantial Completion is not attained by the Scheduled Substantial Completion Date, Owner will suffer damages which are difficult to determine and accurately specify. Design-Builder agrees that if Substantial Completion is not attained by **N/A** _____ (_____) days after the Scheduled Substantial Completion Date (the "LD Date"), Design-Builder shall pay Owner **N/A** _____ Dollars (\$ _____) as liquidated damages for each day that Substantial Completion extends beyond the LD Date. The liquidated damages provided herein shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties and any other damages, whether special or consequential, and of whatsoever nature incurred by Owner which are occasioned by any delay in achieving Substantial Completion. *(If a GMP is set established upon execution of this Agreement, the parties should consider setting liquidated damages after GMP negotiations. If liquidated damages are applicable to any dates set forth in Section 5.2.2 hereof, this Section 5.4 will need to be modified accordingly.)*

5.5 Early Completion Bonus. If Substantial Completion is attained on or before _____ (_____) days before the Scheduled Substantial Completion Date (the "Bonus Date"), Owner shall pay Design-Builder at the time of Final Payment under Section 7.3 hereof an early completion bonus of _____ Dollars (\$ _____) for each day that Substantial Completion is attained earlier than the Bonus Date. *If a GMP is not established upon execution of this Agreement, the parties should consider setting the early completion bonus after GMP negotiations. If an early completion bonus is applicable to any dates set forth in Section 5.2.2 hereof, this Section 5.5 will need to be modified accordingly.*

Article 6

Contract Price

6.1 Contract Price

6.1.1 Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract a contract price ("Contract Price") equal to Design-Builder's Fee (as defined in Section 6.2 hereof) plus the Cost of the Work (as defined in Section 6.3 hereof), subject to any GMP established in Section 6.5 hereof and any adjustments made in accordance with the General Conditions of Contract.

6.1.2 For the specific Work set forth below, Owner agrees to pay Design-Builder, as part of the Contract Price, on the following basis: *(This is an optional section intended to provide the parties with flexibility to identify and price limited preliminary services, such as a lump sum or cost plus arrangement for preliminary design, programming, or services necessary to enable Design-Builder to furnish Owner with a GMP before execution of this Agreement.)*

Prior to establishing the GMP, the Owner agrees to pay for all Design and Engineering costs required plus the Design Builder's fee, as outlined in 6.2.1, on those costs. All these costs will be included within the final GMP.

6.2 Design-Builder's Fee

6.2.1 Design-Builder's Fee shall be:

(Choose one of the following)

Section 6.2.2 below, Dollars (\$ _____), as adjusted in accordance with

or:

Seven _____ percent (7 _____%) of the Cost of the Work, as adjusted in accordance with Section 6.2.2 below.

6.2.2 Design-Builder's Fee will be adjusted as follows for any changes in the Work: *(Insert formula/arrangement for adjustments)*

Cost of the Work plus seven percent (7%)

6.3 Cost of the Work. The term Cost of the Work shall mean costs reasonably incurred by Design-Build in the proper performance of the Work. The Cost of the Work shall include only the following:

- .1 Wages of direct employees of Design-Build performing the Work at the Site or, with Owner's agreement, at locations off the Site, provided, however, that the costs for those employees of Design-Build performing design services shall be calculated on the basis of prevailing market rates for design professionals performing such services or, if applicable, those rates set forth in an exhibit to this Agreement.
- .2 Wages or salaries of Design-Build's supervisory and administrative personnel engaged in the performance of the Work and who are located at the Site or working off-Site to assist in the production or transportation of material and equipment necessary for the Work.
- .3 ~~Wages or salaries of Design-Build's personnel stationed at Design-Build's principal or branch offices and performing the following functions. The reimbursable costs of personnel stationed at Design-Build's principal or branch offices shall include a _____ percent (____%) markup to compensate Design-Build for the Project-related overhead associated with such personnel. *(Insert the names, job description or job title of personnel)*~~
- .4 Costs incurred by Design-Build for employee benefits, premiums, taxes, insurance, contributions and assessments required by law, collective bargaining agreements, or which are customarily paid by Design-Build, to the extent such costs are based on wages and salaries paid to employees of Design-Build covered under Sections 6.3.1 through 6.3.3 hereof. Payroll taxes and labor burden are at the rate of 66%.
- .5 The reasonable portion of the cost of travel, accommodations and meals for Design-Build's personnel necessarily and directly incurred in connection with the performance of the Work.
- .6 Payments properly made by Design-Build to Subcontractors and Design Consultants for performance of portions of the Work, including any insurance and bond premiums incurred by Subcontractors and Design Consultants.
- .7 Costs incurred by Design-Build in repairing or correcting defective, damaged or nonconforming Work, provided that such defective, damaged or nonconforming Work was beyond the reasonable control of Design-Build, or caused by the ordinary mistakes or inadvertence, and not the negligence, of Design-Build or those working by or through Design-Build. If the costs associated with such defective, damaged or nonconforming Work are recoverable from insurance, Subcontractors or Design Consultants, Design-Build shall exercise best efforts to obtain recovery from the appropriate source and credit Owner if recovery is obtained.
- .8 Costs, including transportation, inspection, testing, storage and handling, of materials, equipment and supplies incorporated or reasonably used in completing the Work.
- .9 Costs less salvage value of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by the workers that are not fully consumed in the performance of the Work and which remain the property of Design-Build, including the costs of transporting, inspecting, testing, handling, installing, maintaining, dismantling and removing such items.

- .10 Costs of removal of debris and waste from the Site.
- .11 The reasonable costs and expenses incurred in establishing, operating and demobilizing the Site office, including the cost of facsimile transmissions, long-distance telephone calls, postage and express delivery charges, telephone service, photocopying and reasonable petty cash expenses.
- .12 Rental charges and the costs of transportation, installation, minor repairs and replacements, dismantling and removal of temporary facilities, machinery, equipment and hand tools not customarily owned by the workers, which are provided by Design-Builder at the Site, whether rented from Design-Builder or others, and incurred in the performance of the Work.
- .13 Premiums for insurance and bonds required by this Agreement or the performance of the Work.
- .14 All fuel and utility costs incurred in the performance of the Work.
- .15 Sales, use or similar taxes, tariffs or duties incurred in the performance of the Work.
- .16 Legal costs, court costs and costs of mediation and arbitration reasonably arising from Design-Builder's performance of the Work, provided such costs do not arise from disputes between Owner and Design-Builder.
- .17 Costs for permits, royalties, licenses, tests and inspections incurred by Design-Builder as a requirement of the Contract Documents.
- .18 The cost of defending suits or claims for infringement of patent rights arising from the use of a particular design, process, or product required by Owner, paying legal judgments against Design-Builder resulting from such suits or claims, and paying settlements made with Owner's consent.
- .19 Deposits which are lost, except to the extent caused by Design-Builder's negligence.
- .20 Costs incurred in preventing damage, injury or loss in case of an emergency affecting the safety of persons and property.
- .21 Other costs reasonably and properly incurred in the performance of the Work to the extent approved in writing by Owner.

6.4 Non-Reimbursable Costs

The following shall be excluded from the Cost of the Work:

- .1 Compensation for Design-Builder's personnel stationed at Design-Builder's principal or branch offices, except as provided for in Sections 6.3.1, 6.3.2 and 6.3.3 hereof.
- .2 Overhead and general expenses, except as provided for in Section 6.3 hereof, or which may be recoverable for changes to the Work.
- .3 The cost of Design-Builder's capital used in the performance of the Work.

- .4 If the parties have agreed on a GMP, costs that would cause the GMP, as adjusted in accordance with the Contract Documents, to be exceeded,

(The parties shall comply with the following Section 6.3 based upon whether the GMP is agreed upon before the execution of this Agreement or will be developed and agreed upon after execution of this Agreement. If the parties do not use a GMP, this Section 6.5 shall be deemed inapplicable and compensation to Design-Builder shall be based on those fees and costs identified in the balance of this Article 6.)

6.5 The Guaranteed Maximum Price

6.5.1 GMP Established Upon Execution of this Agreement

6.5.1.1 Design-Builder guarantees that it shall not exceed the GMP of **(TBD at a mutually agreeable date in accordance with 6.5.2.1 below)** Dollars (\$ _____). Design-Builder does not guarantee any specific line item provided as part of the GMP, but agrees that it will be responsible for paying all costs of completing the Work which exceed the GMP, as adjusted in accordance with the Contract Documents. Documents used as a basis for the GMP shall be identified in an exhibit to this Agreement ("GMP Exhibit").

6.5.1.2 The GMP includes a Contingency in the amount of (5%) Dollars (\$ _____) which is available for Design-Builder's exclusive use for costs that are incurred in performing the Work that are not included in a specific line item or the basis for a Change Order under the Contract Documents. By way of example, and not as a limitation, such costs include trade buy-out differentials, overtime, acceleration, costs in correcting defective, damaged or nonconforming Work, design errors or omissions and Subcontractor defaults. The Contingency is not available to Owner for any reason, including changes in scope or any other item which would enable Design-Builder to increase the GMP under the Contract Documents. Design-Builder shall provide Owner with notice of all anticipated charges against the Contingency.

6.5.2 GMP Established after Execution of this Agreement

6.5.2.1 **GMP Proposal.** If requested by Owner, Design-Builder shall submit a GMP Proposal to Owner which shall include the following, unless the parties mutually agree otherwise:

- .1 A proposed GMP, which shall be the sum of:
 - i. Design-Builder's Fee as defined in Section 6.2.1 hereof;
 - ii. the estimated Cost of the Work as defined in Section 6.3 hereof, inclusive of any Design-Builder's Contingency as defined in Section 6.5.1.2 hereof; and
 - iii. if applicable, any prices established under Section 6.1.2 hereof.
- .2 A list of the drawings and specifications, including all addenda, used as the basis for the GMP proposal;
- .3 A list of the assumptions and clarifications made by Design-Builder in the preparation of the GMP Proposal, which list is intended to supplement the information contained in the drawings and specifications;
- .4 The Scheduled Substantial Completion Date upon which the proposed GMP is based, to the extent said date has not already been established under Section 5.2 hereof, and a schedule upon which the Scheduled Substantial Completion Date is based;
- .5 If applicable, a list of allowances and a statement of their basis;
- .6 If applicable, a schedule of alternate prices;

- .7 If applicable, a schedule of unit prices;
- .8 If applicable, a statement of Additional Services; and
- .9 The time limit for acceptance of the GMP Proposal.

6.5.2.2 Review and Adjustment to GMP Proposal. After submission of the GMP Proposal, Design-Builder and Owner shall meet to discuss and review the GMP Proposal. If Owner has any comments regarding the GMP Proposal, or finds any inconsistencies or inaccuracies in the information presented, it shall promptly give written notice to Design-Builder of such comments or findings. If appropriate, Design-Builder shall, upon receipt of Owner's notice, make appropriate adjustments to the GMP Proposal.

6.5.2.3 Acceptance of GMP Proposal. If Owner accepts the GMP Proposal, as may be amended by Design-Builder, the GMP and its basis shall be set forth in an amendment to this Agreement.

6.5.2.4 Failure to Accept the GMP Proposal. If Owner rejects the GMP Proposal, or fails to notify Design-Builder in writing on or before the date specified in the GMP Proposal that it accepts the GMP Proposal, the GMP Proposal shall be deemed withdrawn and of no effect. In such event, Owner and Design-Builder shall meet and confer as to how the Project will proceed, with Owner having the following options:

- .1 Owner may suggest modifications to the GMP Proposal, whereupon, if such modifications are accepted in writing by Design-Builder, the GMP Proposal shall be deemed accepted and the parties shall proceed in accordance with Section 6.5.2.3 above;
- .2 Owner may authorize Design-Builder to continue to proceed with the Work on the basis of reimbursement as provided in Section 8.1 hereof without a GMP, in which case all references in this Agreement to the GMP shall not be applicable; or
- .3 Owner may terminate this Agreement for convenience in accordance with Article 8 hereof; provided, however, in this event, Design-Builder shall not be entitled to the payment provided for in Section 8.2 hereof.

If Owner fails to exercise any of the above options, Design-Builder shall have the right to (i) continue with the Work as if Owner had elected to proceed in accordance with Item 2 above, and be paid by Owner accordingly, unless and until Owner notifies it in writing to stop the Work, or (ii) suspend performance of Work in accordance with Section 11.3.1 of the General Conditions of Contract, provided, however, that in such event Design-Builder shall not be entitled to the payment provided for in Section 8.2 hereof.

6.5.3 Savings

6.5.3.1 If the sum of the actual Cost of the Work and Design-Builder's Fee (and, if applicable, any prices established under Section 6.1.2 hereof) is less than the GMP, as such GMP may have been adjusted over the course of the Project, the difference ("Savings") shall be shared as follows:

(Choose one of the following)

Zero percent (0 %) to Design-Builder and one hundred percent (100 %) to Owner.

or

The first _____ Dollars (\$ _____) of Savings shall be provided to ~~the Owner~~ Design-Builder as Cost, with the balance of Savings, if any, shared _____ percent (____%) to Design-Builder and _____ percent (____%) to Owner.

6.5.3.2 Savings shall be calculated and paid as part of Final Payment under Section 7.3 hereof, with the understanding that to the extent Design-Builder incurs costs after Final Completion which would have been payable to Design-Builder as a Cost of the Work, Design-Builder shall be entitled to payment from Owner for that portion of such costs that were distributed to Owner as Savings.

Article 7

Procedure for Payment

7.1 Progress Payments

7.1.1 Design-Builder shall submit to Owner on the twenty-fifth (25th) day of each month, beginning with the first month after the Date of Commencement, Design-Builder's Application for Payment in accordance with Article 6 of the General Conditions of Contract.

7.1.2 Owner shall make payment within ten (10) days after Owner's receipt of each properly submitted and accurate Application for Payment in accordance with Article 6 of the General Conditions of Contract, but in each case less the total of payments previously made, and less amounts properly withheld under Section 6.3 of the General Conditions of Contract.

7.1.3 If Design-Builder's Fee under Section 6.2.1 hereof is a fixed amount, the amount of Design-Builder's Fee to be included in Design-Builder's monthly Application for Payment and paid by Owner shall be proportional to the percentage of the Work completed, less payments previously made on account of Design-Builder's Fee.

7.2 Retainage on Progress Payments

7.2.1 Owner will retain five percent (5%) of each Application for Payment provided, however, that when fifty percent (50%) of the Work has been completed by Design-Builder, Owner will not retain any additional amounts from Design-Builder's subsequent Applications for Payment. Owner will also reasonably consider reducing retainage for Subcontractors completing their work early in the Project.

7.2.2 Upon Substantial Completion of the entire Work or, if applicable, any portion of the Work, pursuant to Section 6.6 of the General Conditions of Contract, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion.

7.3 Final Payment. Design-Builder shall submit its Final Application for Payment to Owner in accordance with Section 6.7 of the General Conditions of Contract. Owner shall make payment on Design-Builder's properly submitted and accurate Final Application for Payment within ten (10) days after Owner's receipt of the Final Application for Payment, provided that Design-Builder has satisfied the requirements for final payment set forth in Section 6.7.2 of the General Conditions of Contract.

7.4 Interest. Payments due and unpaid by Owner to Design-Builder, whether progress payments or final payment, shall bear interest commencing five (5) days after payment is due at the rate of one percent (1%) compounded monthly.

7.5 Record Keeping and Finance Controls. Design-Builder acknowledges that this Agreement is to be administered on an "open book" arrangement relative to Costs of the Work. Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents. During the performance of the Work and for a period of three (3) years after Final Payment, Owner and Owner's accountants shall be afforded access from time to time, upon reasonable notice, to Design-Builder's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to the Work, all of which Design-Builder shall preserve for a period of three (3) years after Final Payment.

Article 1

Termination for Convenience

8.1 Upon ten (10) days' written notice to Design-Builder, Owner may, for its convenience and without cause, elect to terminate this Agreement. In such event, Owner shall pay Design-Builder for the following:

- .1 All Work executed and for proven loss, cost or expense in connection with the Work;
- .2 The reasonable costs and expenses attributable to such termination, including demobilization costs and amounts due in settlement of terminated contracts with Subcontractors and Design Consultants; and
- .3 *(Choose one of the following)*

The fair and reasonable sums for overhead and profit on the sum of items .1 and .2 above.

or

Overhead and profit in the amount of seven percent (7%) on the sum of items .1 and .2 above.

8.2 In addition to the amounts set forth in Section 8.1 above, Design-Builder shall be entitled to receive one of the following as applicable:

- .1 If Owner terminates this Agreement prior to commencement of construction, Design-Builder shall be paid zero percent (0%) of the remaining balance of the Contract

Price or, if a GMP has not been established, the remaining balance of the most recent estimated Contract Price.

- .2 If Owner terminates this Agreement after commencement of construction, Design-Builder shall be paid zero percent (0%) of the remaining balance of the Contract Price or, if a GMP has not been established, the remaining balance of the most recent estimated Contract Price.
- 8.3 If Owner terminates this Agreement pursuant to Section 8.1 above and proceeds to design and construct the Project through its employees, agents or third parties, Owner's rights to use the Work Product shall be as set forth in Section 4.3 hereof.

(The following Article 9 should only be used if the Owner and Design-Builder agree to establish their respective representatives at the time the Agreement is executed rather than during the performance of the Project.)

Article 9

Representatives of the Parties

9.1 Owner's Representatives

9.1.1 Owner designates the individual listed below as its Senior Representative ("Owner's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

????

9.1.2 Owner designates the individual listed below as its Owner's Representative, which individual has the authority and responsibility set forth in Section 3.4 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

????

9.2 Design-Builder's Representatives

9.2.1 Design-Builder designates the individual listed below as its Senior Representative ("Design-Builder's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

Shane Haas - Vice President Western Slope Operations

9.2.2 Design-Builder designates the individual listed below as its Design-Builder's Representative, which individual has the authority and responsibility set forth in Section 2.1.1 of the General Conditions of Contract: *(Identify individual's name, title, address and telephone numbers)*

TBD

Article 10

Bonds and Insurance

10.1 Insurance. Design-Builder shall procure in accordance with Article 5 of the General Conditions of Contract the following insurance coverages: *(Attach Insurance Schedule indicating the required coverage, amount of required coverage, duration of coverage, required rating of insurance carriers and any other insurance requirements required of the parties)*

10.2 Bonds and Other Performance Security. Design-Builder shall provide the following performance bond and labor and material payment bond or other performance security: *(Indicate the amount of bonds and any other conditions of the bonds or other security)*

TBD

Article 11

Other Provisions

11.1 Other provisions, if any, are as follows: *(insert any additional provisions)*

In executing this Agreement, Owner and Design-Builder each individually represents that it has the necessary financial resources to fulfill its obligations under this Agreement, and each has the necessary corporate approvals to execute this Agreement, and perform the services described herein.

OWNER:

DESIGN-BUILDER:

Building Authority???

FCI Constructors, Inc.

(Name of Owner)

(Name of Design-Builder)

(Signature)

(Signature)

(Printed Name)

(Printed Name)

(Title)

(Title)

Date: _____

Date: _____

Caution: You should sign an original DBIA document which has this caution printed in blue. An original assures that changes will not be obscured as may occur when documents are reproduced.

EXHIBIT E
(Operating Lease Term Sheet)

Lease Date:	On or about July 1, 2006
Lessor:	A 501(c)(3) authority to be established by the City of Grand Junction
Lessee:	Colorado Department of Public Safety, for the benefit of Colorado Bureau of Investigation
Property:	Lots 4 and 5 of Replat of Lot 2, 3D Minor Subdivision
Facility:	As generally specified in Roth-Sheppard Project Program Plan (one-story option) dated March 8, 2005, with all attachments, as designed and built by F.C.L, Inc. and Blythe Design +, Co.
Lease Term:	26 years, commencing on or about July 1, 2006
Occupancy Date:	January 1, 2008
First Lease Payment Date (part year):	June 1, 2008
Estimated Annual Lease Payment (excluding Operations and Maintenance):	\$870,000
Estimated Annual Operations and Maintenance Costs -- year 1:	\$151,680
Final Lease Payment Date:	June 1, 2032
Purchase Option:	One-time only at end of Lease Term, for depreciated book value, based on 40-year straight line depreciation; presently estimated at \$4,800,000 (16/40ths of estimated \$12,000,000 project cost); subject to legislative approval at that time.
Other Lease Terms:	<p>Operations, maintenance, utilities all to be paid by Lessee. Lessee will be responsible for all structural and mechanical portions of the Property during the Term of the Lease, as fully as if Lessee were the owner of the property and whether or not such items are customarily considered operation and maintenance expenses.</p> <p>No actions or failures to act by Lessee that will jeopardize tax-exemption of Bonds.</p>

No fiscal obligation of City of Grand Junction or State of Colorado.

Lease will be subject to annual appropriation, but will not include typical state lease "co-location" verbiage.

Lessee will designate a person to perform the function of "Owner's Representative" under the G.M.P. construction contract between Lessor and F.C.L., Inc. and Blythe Design +, Co.

Should Lessor, with Lessee's prior approval, elect to refund the revenue bonds issued to finance the Facility, Lessee's annual rentals shall be reduced to reflect any resulting reduction in debt service on the bonds.

EXHIBIT F
(IDI Grant Terms and Conditions)

IDI will cause its affiliate Colorado West Improvements, Inc. to complete the replat of Lot 2, 3D Minor Subdivision, in such a way that Lots 4 and 5 will constitute a compact contiguous parcel of approximately 3.2 acres. These Lots, complete with normal commercial infrastructure (streets, curb, gutter, storm drainage, and utilities to the property line) will be held by IDI or its affiliate for conveyance to a Lessor created to facilitate the Project's financing. No such conveyance will be made until CBI has received legislative approval for the relocation of its existing operations to the IDI property.

IDI will be granted a right of first refusal should the Project become available for purchase at some future time. This right of first refusal shall terminate if the State elects to purchase the Project at the end of the Operating Lease term.

If the Project is disposed of by the Trustee following non-appropriation, for a price greater than that necessary to retire all Bonds or COPs obligations and pay costs and expenses of sale and related expenses, IDI shall be paid up to \$300,000 from any surplus, which payment right may be secured by a subordinate lien at IDI's election. GJEP will next be entitled to recover its incentive funds from any such surplus, with the balance, if any, to be paid to IDI.

EXHIBIT G
(Sources and Uses; Debt Service Schedule)

EXHIBIT G

SOURCES AND USES OF FUNDS

State of Colorado
Revenue Bonds, Series 2005

Dated Date 07/06/2006
Delivery Date 07/06/2006

Sources:

Bond Proceeds:	
Par Amount	13,505,000.00
Other Sources of Funds:	
Arch. and Design Paid By CBI	1,190,000.00
	<u>14,695,000.00</u>

Uses:

Project Fund Deposits:	
Project Construction Fund	10,484,405.00
Design Costs	1,133,583.00
Utility/Tearing Fees	212,000.00
Contingency	250,000.00
	<u>12,079,988.00</u>
Other Fund Deposits:	
Debt Service Reserve Fund	1,145,272.54
Capitalized Interest	1,123,658.11
	<u>2,268,930.65</u>
Delivery Date Expenses:	
Cost of Issuance	99,532.00
Underwriter's Discount	101,287.50
Certificate Insurance	154,261.85
	<u>346,081.35</u>
	<u>14,695,000.00</u>

BOND DEBT SERVICE
State of Colorado
Revenue Bonds, Series 2005

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/06/2006					
12/01/2006			236,797.08	236,797.08	
06/01/2007	335,000	2.800%	293,955.00	628,955.00	
06/30/2007					865,752.08
12/01/2007			289,265.00	289,265.00	
06/01/2008	305,000	3.100%	289,265.00	594,265.00	
06/30/2008					883,530.00
12/01/2008			284,537.50	284,537.50	
06/01/2009	300,000	3.300%	284,537.50	584,537.50	
06/30/2009					869,075.00
12/01/2009			279,587.50	279,587.50	
06/01/2010	310,000	3.400%	279,587.50	589,587.50	
06/30/2010					869,175.00
12/01/2010			274,317.50	274,317.50	
06/01/2011	320,000	3.450%	274,317.50	594,317.50	
06/30/2011					868,635.00
12/01/2011			268,797.50	268,797.50	
06/01/2012	330,000	3.550%	268,797.50	598,797.50	
06/30/2012					867,595.00
12/01/2012			262,940.00	262,940.00	
06/01/2013	340,000	3.650%	262,940.00	602,940.00	
06/30/2013					865,880.00
12/01/2013			256,735.00	256,735.00	
06/01/2014	355,000	3.800%	256,735.00	611,735.00	
06/30/2014					868,470.00
12/01/2014			249,990.00	249,990.00	
06/01/2015	370,000	3.900%	249,990.00	619,990.00	
06/30/2015					869,980.00
12/01/2015			242,775.00	242,775.00	
06/01/2016	385,000	3.950%	242,775.00	627,775.00	
06/30/2016					870,550.00
12/01/2016			235,171.25	235,171.25	
06/01/2017	400,000	4.050%	235,171.25	635,171.25	
06/30/2017					870,342.50
12/01/2017			227,071.25	227,071.25	
06/01/2018	415,000	4.150%	227,071.25	642,071.25	
06/30/2018					869,142.50
12/01/2018			218,460.00	218,460.00	
06/01/2019	430,000	4.200%	218,460.00	648,460.00	
06/30/2019					866,920.00
12/01/2019			209,430.00	209,430.00	
06/01/2020	450,000	4.250%	209,430.00	659,430.00	
06/30/2020					868,860.00
12/01/2020			199,867.50	199,867.50	
06/01/2021	470,000	4.300%	199,867.50	669,867.50	
06/30/2021					869,735.00
12/01/2021			189,762.50	189,762.50	

BOND DEBT SERVICE
State of Colorado
Revenue Bonds, Series 2005

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2022	490,000	4.750%	189,762.50	679,762.50	
06/30/2022					869,525.00
12/01/2022			178,125.00	178,125.00	
06/01/2023	510,000	4.750%	178,125.00	688,125.00	
06/30/2023					866,250.00
12/01/2023			166,012.50	166,012.50	
06/01/2024	535,000	4.750%	166,012.50	701,012.50	
06/30/2024					867,025.00
12/01/2024			153,306.25	153,306.25	
06/01/2025	560,000	4.750%	153,306.25	713,306.25	
06/30/2025					866,612.50
12/01/2025			140,006.25	140,006.25	
06/01/2026	590,000	4.750%	140,006.25	730,006.25	
06/30/2026					870,012.50
12/01/2026			125,993.75	125,993.75	
06/01/2027	615,000	4.750%	125,993.75	740,993.75	
06/30/2027					866,987.50
12/01/2027			111,387.50	111,387.50	
06/01/2028	645,000	4.750%	111,387.50	754,387.50	
06/30/2028					867,775.00
12/01/2028			96,068.75	96,068.75	
06/01/2029	675,000	4.750%	96,068.75	771,068.75	
06/30/2029					867,137.50
12/01/2029			80,037.50	80,037.50	
06/01/2030	710,000	4.750%	80,037.50	790,037.50	
06/30/2030					870,075.00
12/01/2030			63,175.00	63,175.00	
06/01/2031	740,000	4.750%	63,175.00	803,175.00	
06/30/2031					866,350.00
12/01/2031			45,600.00	45,600.00	
06/01/2032	1,920,000	4.750%	45,600.00	1,965,600.00	
06/30/2032					2,011,200.00
	13,505,000		10,227,592.08	23,732,592.08	23,732,592.08

BOND PRICING

State of Colorado
Revenue Bonds, Series 2005

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Certificates:					
	06/01/2007	335,000	2.800%	2.800%	100.000
	06/01/2008	305,000	3.100%	3.100%	100.000
	06/01/2009	200,000	3.300%	3.300%	100.000
	06/01/2010	310,000	3.400%	3.400%	100.000
	06/01/2011	320,000	3.450%	3.450%	100.000
	06/01/2012	330,000	3.550%	3.550%	100.000
	06/01/2013	340,000	3.650%	3.650%	100.000
	06/01/2014	355,000	3.800%	3.800%	100.000
	06/01/2015	370,000	3.900%	3.900%	100.000
	06/01/2016	385,000	3.950%	3.950%	100.000
	06/01/2017	400,000	4.050%	4.050%	100.000
	06/01/2018	415,000	4.150%	4.150%	100.000
	06/01/2019	430,000	4.200%	4.200%	100.000
	06/01/2020	450,000	4.250%	4.250%	100.000
	06/01/2021	470,000	4.300%	4.300%	100.000
		5,515,000			
Term Certificates Due 2032:					
	06/01/2032	7,990,000	4.750%	4.750%	100.000
		13,505,000			

Dated Date	07/06/2006	
Delivery Date	07/06/2006	
First Coupon	12/01/2006	
Par Amount	13,505,000.00	
Original Issue Discount		
Production	13,505,000.00	100.000000%
Underwriter's Discount	-101,287.50	-0.750000%
Purchase Price	13,403,712.50	99.250000%
Accrued Interest		
Net Proceeds	13,403,712.50	

NET DEBT SERVICE

State of Colorado
Revenue Bonds, Series 2005

Period Ending	Total Debt Service	Debt Service Reserve Fund	Capitalized Interest	Net Debt Service
06/30/2007	865,752.08		865,752.08	
06/30/2008	883,530.00		289,265.00	594,265.00
06/30/2009	869,075.00			869,075.00
06/30/2010	869,175.00			869,175.00
06/30/2011	868,635.00			868,635.00
06/30/2012	867,595.00			867,595.00
06/30/2013	865,880.00			865,880.00
06/30/2014	868,470.00			868,470.00
06/30/2015	869,980.00			869,980.00
06/30/2016	870,550.00			870,550.00
06/30/2017	870,342.50			870,342.50
06/30/2018	869,142.50			869,142.50
06/30/2019	866,920.00			866,920.00
06/30/2020	868,860.00			868,860.00
06/30/2021	869,735.00			869,735.00
06/30/2022	869,525.00			869,525.00
06/30/2023	866,250.00			866,250.00
06/30/2024	867,025.00			867,025.00
06/30/2025	866,612.50			866,612.50
06/30/2026	870,012.50			870,012.50
06/30/2027	866,987.50			866,987.50
06/30/2028	867,775.00			867,775.00
06/30/2029	867,137.50			867,137.50
06/30/2030	870,075.00			870,075.00
06/30/2031	866,350.00			866,350.00
06/30/2032	2,011,200.00	1,145,272.54		865,927.46
	23,732,592.08	1,145,272.54	1,155,017.08	21,432,302.46

BOND SUMMARY STATISTICS

State of Colorado
Revenue Bonds, Series 2005

Dated Date	07/06/2006
Delivery Date	07/06/2006
Last Maturity	06/01/2032
Arbitrage Yield	4.660487%
True Interest Cost (TIC)	4.730726%
Net Interest Cost (NIC)	4.637149%
All-In TIC	4.794197%
Average Coupon	4.591676%
Average Life (years)	16.493
Duration of Issue (years)	10.950
Par Amount	13,505,000.00
Bond Proceeds	13,505,000.00
Total Interest	10,227,592.08
Net Interest	10,328,879.58
Bond Years from Dated Date	222,742,013.89
Bond Years from Delivery Date	222,742,013.89
Total Debt Service	23,732,592.08
Maximum Annual Debt Service	2,011,200.00
Average Annual Debt Service	916,218.03
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	7.500000
Total Underwriter's Discount	7.500000
Bid Price	99.250000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Certificates	5,515,000.00	100.000	3.997%	8.495
Term Certificates Due 2032	7,990,000.00	100.000	4.750%	22.014
	13,505,000.00			16.493

BOND SUMMARY STATISTICS

State of Colorado
Revenue Bonds, Series 2005

	TIC	All-In TIC	Arbitrage Yield
Par Value	13,505,000.00	13,505,000.00	13,505,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-101,287.50	-101,287.50	
- Cost of Issuance Expense		-90,532.00	
- Other Amounts	-154,261.85	-154,261.85	-154,261.85
Target Value	13,249,450.65	13,158,918.65	13,350,738.15
Target Date	07/06/2006	07/06/2006	07/06/2006
Yield	4.730726%	4.794197%	4.660487%

EXHIBIT H

CBI WEST SLOPE FACILITY
LEASE PURCHASE COPs
SCHEDULE/TASK LIST

07/22/05

D
R
A
F
T

DATE	TASK & RESPONSIBILITY	WHO RESP.
06/30/05	FCI updated budget numbers	FCI
07/30/05	Submit 2006 budget request for \$900,000 design and engineering work	CBI
10/11/05	City acts to form Building Authority to facilitate Project and act as Lessor, subject to satisfaction of City Attorney, bond counsel and A.G. (for Colo. Dept. of Public Safety)	GJ, Y&H
11/01/05	Obtain City approval of IDI development plan for replat of 3D Minor Subdivision, including the Project Real Estate	IDI
03/06	Obtain title insurance commitment on Project Real Estate	Y&H
05/15/06	Utilities, streets, infrastructure completed at project site	IDI
06/06 (no later than)	Obtain legislative approval of lease purchase, plus Governor's signature	CBI, CDPA, Y&H
06/06 (no later than)	Obtain appropriation of not less than \$900,000 for Design and Engineering	CBI
06/06	Design work commences	BD, FCI
	Primary transaction document drafts circulated	Y&H
	Circulate draft P.O.S. for comments	Y&H
	Seek Rating	SN
	Bond insurance obtained	SN
	Offer Bonds for pricing	SN
07/01/06	Convey Project Real Estate to lessor	IDI
07/01/06	Closing of Bond transaction	SN, Y&H, LSR, CBI
07/06	Project schedule completed	BD, FCI
10/06	Foundation design complete	BD
11/06	Foundation work commenced	FCI
12/15/06	All design work finalized	BD
01/16/08	Project completed	FCI

BD = Blythe Design
 CBI = Colorado Bureau of Investigation
 CDPA = Colorado Department of Personnel and Administration
 FCI = FCI Constructors, Inc.
 GJ = City of Grand Junction
 GJEP = Grand Junction Economic Partnership
 IDI = Industrial Developments, Inc.
 LSR = Lessor/Owner
 SN = Stifel, Nicolaus & Company, Incorporated; Hanifen Imhoff Division
 Y&H = Younge & Hockensmith, P.C.

Exhibit I

GJEP/CBI PROJECT

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Jane Crisman
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Colorado Department of Public Safety
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IDI
Industrial Developments, Inc.
360 Grand Avenue
Grand Junction, CO 81501

Rob Bickley, President
Telephone: 970-244-8983
FAX: 970-244-8986
E-Mail: rbickley@mountainairemedicalsupply.com

Diane Schwenke, Administrator
Telephone: 970-242-3214
FAX: 970-242-3694
E-Mail: diane@gjchamber.org

Attachment B

ARTICLES OF INCORPORATION

The undersigned incorporator, a natural person of the age of 21 years or more, desiring to form a nonprofit corporation under the provisions of the Colorado Nonprofit Corporation Act, Articles 20 through 29, inclusive, of Title 7 of the Colorado Revised Statutes, as amended, does execute, acknowledge, and deliver in duplicate to the Secretary of State of the State of Colorado the following Articles of Incorporation.

ARTICLE I - NAME

The name of the corporation shall be "Grand Junction, Colorado State Leasing Authority, Inc."

ARTICLE II - DURATION

The corporation shall exist in perpetuity, from and after the date of filing of these Articles of Incorporation with the Secretary of State of the State of Colorado, unless dissolved according to law.

ARTICLE III - PURPOSES

The purposes for which the corporation is organized are as follows:

(a) To acquire by purchase, lease or otherwise, real or personal property, including, without limitation, interests in real or personal property, or any combination thereof, to construct or install improvements, to renovate, expand and improve buildings, and to lease or otherwise convey interests in real or personal property or improvements or any combination thereof to the economic development clients and/or entities approved or formed by the City of Grand Junction, Colorado (the "City").

(b) To borrow money, to become indebted, and to execute and deliver bonds, notes, certificates of purchase or debentures or other securities, instruments or obligations for the purposes of acquiring such real or personal property, or interests in real or personal property, constructing or installing such improvements, renovating, expanding and improving such buildings, or any combination thereof, and for such other purpose or purposes as may be necessary or desirable to accomplish the objectives of the corporation. Such indebtedness may be unsecured, may be secured by any mortgage, trust deed or other lien upon the property to be acquired or any other property of the corporation, or may be otherwise secured.

(c) To otherwise assist in or facilitate the acquisition or financing of real or personal property or improvements for or to be used by the economic development clients of the City.

(d) To exercise all powers, privileges and rights necessary or advisable to carry out the objects and purposes for which the corporation is formed, and the incorporator and directors hereby claim for the corporation all the benefits, privileges, rights and powers created, extended or conferred by the provisions of all applicable

laws of the State of Colorado pertaining to corporations not for profit, as the same may be amended from time to time.

ARTICLE IV - ADDRESS AND REGISTERED AGENT

The address of the initial registered office of the corporation is 743 Horizon Court, Suite 200, Grand Junction, Colorado 81506. The registered agent of the corporation is Kirk Rider, Esq. The address of the principal office of the corporation is 743 Horizon Court, Suite 200, Grand Junction, Colorado 81506.

ARTICLE V - MEMBERSHIP AND CAPITAL STOCK

The corporation shall have no members, and the corporation shall issue no membership certificates and shall have no capital stock.

ARTICLE VI - BOARD OF DIRECTORS

The affairs and management of the corporation shall be under the control of a board of directors. The initial board of directors of the corporation shall consist of five directors, and the names and addresses of the persons who shall serve as the initial directors of the corporation until the first meeting of the board and until their successors are elected and shall qualify are:

<u>NAME</u>	<u>ADDRESS</u>
David Varley	City of Grand Junction 250 North 5th Street Grand Junction, CO 81501
W. T. Sisson	530 Heron Court Grand Junction, CO 81503
James Fleming	2235 Fernwood Court Grand Junction, CO 81506
Ann Driggers	Grand Junction Economic Partnership 2828 Walker Field Drive, #302 Grand Junction, CO 81506
Sam Baldwin	800 Belford Avenue Grand Junction, CO 81501

The directors shall serve for terms of three years (except that the initial terms of such directors may be for a lesser period if so stated in the by-laws of the corporation); but any of the directors shall promptly resign upon the written request of a majority of the City Council of the City (the "City Council"). Whenever a vacancy shall occur in the membership of the board of directors, such vacancy or vacancies shall be filled by appointment of the City Council.

ARTICLE VII - INCORPORATOR

The name and address of the incorporator is Kirk Rider, 743 Horizon Court, Suite 200, Grand Junction, Colorado 81506.

ARTICLE VIII - REGULAR AND SPECIAL MEETINGS

The annual, regular and special meetings of the corporation, and the place, time and manner of giving notice of such meetings, shall be in accordance with applicable law and as prescribed by the by-laws of the corporation.

ARTICLE IX - INTEREST OF DIRECTORS

The directors of the corporation shall have no private or proprietary interest in the corporation. The directors shall serve as such without compensation, and no part of the corporation's net earnings, income or assets will inure to the benefit of any private entity or individual; provided, however, that the board of directors may allow reimbursement of reasonable expenses incurred by a director in the performance of his duties as a director or officer.

ARTICLE X - DISSOLUTION

In the event of the dissolution of the corporation, no part of its property shall be distributed to any private entity or individual, and any property of the corporation not required to pay corporate debts and corporate expenses shall be distributed only to the City or an entity that is an instrumentality of the City for federal income tax purposes for a public purpose.

ARTICLE XI - BY-LAWS OF THE CORPORATION

The directors shall have the power to adopt and amend by-laws of the corporation, as they may deem proper for the management of the affairs of the corporation, and which are not inconsistent with law or these Articles of Incorporation, or that Ordinance No. 3926 of the City, establishing the corporation.

ARTICLE XII – AMENDMENT

These Articles of Incorporation may be amended from time to time by the affirmative vote of a majority of the directors; provided, however, that Article III, Article V, Article VI, Article IX, Article X, Article XI and this Article XII shall not be amended or repealed without the approval of the City Council in a form specified by the City and approved by the City Attorney and an opinion of nationally recognized bond counsel that such amendment will not adversely affect the tax characteristics of any outstanding bonds of the corporation.

ARTICLE XIII - EXCULPATION AND INDEMNIFICATION

(a) No director of the corporation shall be personally liable to the corporation for monetary damages for breach of fiduciary duty as a director, but this provision shall not eliminate or limit the liability of a director to the corporation for monetary damages for (1) any breach of the director's duty of loyalty to the corporation, (2) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) acts specified in Section 7-24-111 of the Colorado Revised Statutes (involving loans to directors and officers), or (4) any transaction from which the director derived an improper personal benefit.

(b) Except as provided in paragraph (c) below, the corporation may indemnify against liability incurred in any proceeding to which an individual was made a party because the individual is or was a director if (1) such individual conducted himself or herself in good faith; (2) such individual reasonably believed (a) in the case of conduct in such individual's official capacity with the corporation, that such individual's conduct was in the corporation's best interests, or (b) in all other cases, that such individual's conduct was at least not opposed to the corporation's best interests; and (3) in the case of any criminal proceeding, such individual had no reasonable cause to believe such individual's conduct was unlawful. Indemnification under this paragraph (b) in connection with a proceeding by or in the right of the corporation is limited to reasonable expenses incurred in connection with the proceeding. Indemnification under this paragraph (b) may not be made unless authorized in the specific case after a determination has been made that indemnification of the director is permissible in the circumstances because the director has met the standard of conduct set forth in the first sentence of this paragraph [b], and shall be made in accordance with the requirements of Section 7-109-106 of the Colorado Revised Statutes.

(c) The corporation may not indemnify a director under paragraph (b) either: (1) in connection with a proceeding by or in the right of the corporation in which the director was adjudged liable to the corporation, or (2) in connection with any proceeding charging improper personal benefit to the director, whether or not involving an action in the director's official capacity, in which he or she was adjudged liable on the basis that personal benefit was improperly received by the director.

(d) A director or officer of the corporation who is or was a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction, in either case in accordance with Section 7-109-105 of the Colorado Revised Statutes.

(e) The corporation shall indemnify a person who is or was a director of the corporation or who is an officer of the corporation and who was wholly successful, on the merits or otherwise, in defense of any proceeding to which such person was a party, against reasonable expenses incurred by such person in connection with the proceeding.

(f) The corporation may pay for or reimburse the reasonable expenses incurred by a director or officer of the corporation who is a party to a proceeding in advance of the final disposition of the proceeding if (1) the director or officer furnishes the corporation a written affirmation of the director's or officer's good faith belief that he

or she has met the standard of conduct described in the first sentence of paragraph (b) of this Article Thirteen, (2) the director or officer furnishes the corporation a written undertaking, executed personally or on such person's behalf, to repay the advance if it is determined that such person did not meet such standard of conduct; and (3) a determination is made that the facts then known to those making the determination would not preclude indemnification under this paragraph (f). The undertaking required by (2) above shall be an unlimited general obligation of the director or officer, but need not be secured and may be accepted without reference to financial ability to make repayment.

(g) In addition to the foregoing, the corporation may pay or reimburse expenses incurred by a director in connection with the director's appearance as a witness in a proceeding at a time when the director has not been made a named defendant or respondent in the proceeding.

(h) The corporation may indemnify and advance expenses to officers, employees or agents of the corporation to the extent permitted by law.

(i) The corporation may purchase and maintain insurance from any insurance company designated by the board of directors, on behalf of an individual who is or was a director, officer, employee, fiduciary, or agent of the corporation, and who, while a director, officer, employee, fiduciary, or agent of the corporation, is or was serving at the request of the corporation as a director, officer, employee, fiduciary, or agent of any other foreign or domestic corporation or of any partnership, joint venture, trust, or other enterprise, or employee benefit plan against any liability asserted against or incurred by such individual in any such capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify such individual against such liability under the provisions of this Article Thirteen and the provisions of law.

(j) The terms "directors", "expenses", "liability", "official capacity", "party", and "proceeding" are intended to have the meanings given to such terms under Section 7-109-101 of the Colorado Revised Statutes.

These Articles of Incorporation, consisting of pages 1 to 7, inclusive, have been duly adopted by the incorporator.

IN WITNESS WHEREOF, the incorporator of the Grand Junction, Colorado State Leasing Authority, Inc. has caused these Articles of Incorporation to be signed, this ____ day of _____, 2006.

INCORPORATOR

BY-LAWS
OF
GRAND JUNCTION, COLORADO
STATE LEASING AUTHORITY, INC.

ARTICLE I
OFFICE OF THE CORPORATION

The principal office of the Grand Junction, Colorado State Leasing Authority, Inc. (the "Corporation") shall be located at 743 Horizon Court, Suite 200, Grand Junction, Colorado 81506.

ARTICLE II
NATURE OF CORPORATION

Section 1. INTEREST OF OFFICERS AND DIRECTORS. No officer or director of the Corporation shall have any right, title or interest in or to any real or personal property or other assets of the Corporation either during its existence or upon its dissolution.

Section 2. NON-LIABILITY FOR DEBTS. The private property of the directors and officers shall be exempt from execution or other liability for any debts of the Corporation and no director or officer shall be liable or responsible for the debts or liabilities of the Corporation.

Section 3. INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES; LIMITATION OF LIABILITY. The Corporation shall indemnify any director, officer, employee or former director, officer or employee of the Corporation, to the extent allowed by law and as provided in the articles of incorporation, against the obligation to pay a judgment, settlement, penalty, fine, or reasonable expense (including attorney fees) incurred with respect to the defense of any threatened, pending or completed action, suit, or proceeding, civil, criminal, administrative or investigative (whether formal or informal), or for any loss or claim resulting from such action, suit or proceeding, in which he is made a party by reason of being or having been a director, officer or employee. The Corporation is authorized to obtain a policy or policies of insurance for the purpose of providing such indemnification of the directors, officers and employees of the Corporation.

As provided in the Articles of Incorporation, except as otherwise provided by law, no director shall have any personal liability to the Corporation or its members (if there are ever any members) for monetary damages for breach of fiduciary duty as a director.

ARTICLE III
BOARD OF DIRECTORS

Section 1. GENERAL. The business and affairs of the Corporation shall be managed by a board of directors consisting of five directors, as provided in the Articles of Incorporation. Those directors who shall serve as the first board of directors (as set forth in the Articles of Incorporation), shall hold office for the terms indicated below:

<u>Directors</u>	<u>Term</u>
David Varley	Until January 1, 2009
W. T. Sisson	Until January 1, 2009
James Fleming	Until January 1, 2008
Ann Driggers	Until January 1, 2008
Sam Baldwin	Until January 1, 2008

Thereafter the terms of office for the five directors shall be for a period of three years, subject to removal by the City Council of the City of Grand Junction, Colorado (the "City Council" and the "City", respectively) as provided in the Articles of Incorporation. Directors shall hold office until their successors have been appointed and qualified. A director may be appointed for one or more terms.

Section 2. ANNUAL MEETING. A regular annual meeting of the directors of the Corporation shall be held at the principal place of business, or at such other place as a majority of the directors shall determine, on the second Tuesday of January in each year, at 7:00 p.m., or at such other time as a majority of the directors may determine, for the purpose of electing officers and for the transaction of such other business as may come before the meeting.

Section 3. SPECIAL MEETINGS. Special meetings of the directors may be called by any director, and it shall then be the duty of the Secretary-Treasurer to cause notice of such meeting to be given as hereinafter provided. Special meetings may be held at any place within the State.

Section 4. NOTICE OF MEETINGS. Written notice of the date, time and place of each special meeting shall be delivered personally or mailed by first class United States mail to each director at least 24 hours prior to the meeting. Waiver of the notice of any meeting may be given by any director, either before or after the time of such meeting, and attendance at any meeting shall constitute a waiver of the notice of such meeting. Notice shall generally comply with the Colorado Open Meetings law.

Section 5. TELEPHONE MEETINGS; ACTION WITHOUT MEETING. Notwithstanding any other provision of these by-laws, the board of directors may conduct any meeting by telephone conference call. Notwithstanding any other provision of these by-laws, all of the directors may execute written consents setting forth any action, in substitution for any meeting, and any action of the board of directors (not inconsistent with law or the Articles of Incorporation) evidenced by such a written consent shall be the valid action of the board of directors.

Section 6. QUORUM. A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting. All resolutions or motions for the transaction of the business of the Corporation shall require the affirmative vote of a majority of the board of directors.

Section 7. VACANCY. Whenever a vacancy shall occur in the membership of the board of directors, such vacancy or vacancies shall be filled by appointment by the City Council. If there are no remaining members of the board of directors, the vacancies shall be filled by the City Council.

Section 8. COMPENSATION. No director of the Corporation shall receive any salary or compensation for his services nor shall any director of the Corporation receive from the Corporation any pecuniary profit from the operations of the Corporation; provided that any director may, from time to time, be reimbursed for his reasonable expenses incurred in the performance of his duties as a director or officer.

ARTICLE IV OFFICERS

Section 1. OFFICERS. The officers of the Corporation shall be a President, Vice President, and a Secretary-Treasurer.

Section 2. ELECTION AND TERM OF OFFICE. The initial officers of the Corporation shall be elected by the board of directors at the organizational meeting. Officers shall thereafter be elected annually by the board of directors at the regular annual meeting, and upon the appointment of one or more new directors. Each officer shall be a director and shall hold office until his successor as such officer shall have been duly elected as herein provided.

Section 3. PRESIDENT. The President shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. The President shall preside at meetings of the board of directors, and may sign, together with the Secretary-Treasurer or any other proper officer of the Corporation authorized by the board of directors, or alone if no additional signature is required by the authorizing action of the board of directors, any leases, deeds, conveyances, mortgages, bonds, notes, debentures, securities, certificates, instruments, waivers, consents, obligations, agreements or contracts which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by statute to some other officer or agent of the Corporation; and in general the President shall perform all duties incidental to the office of President and such other duties as may be prescribed by the board of directors from time to time.

Section 4. VICE PRESIDENT. In the absence of the President or in the event of the inability or refusal of the President to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or by the board of directors.

Section 5. SECRETARY-TREASURER. If required by the board of directors, the Secretary-Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the board of directors may determine. The Secretary-Treasurer shall have charge and custody of and be responsible for any funds

and securities of the Corporation unless otherwise provided by the board of directors; and in general perform all the duties incidental to the office of treasurer and such other duties as from time to time may be assigned by the President or by the board of directors. The Secretary-Treasurer shall keep the minutes of the meetings of the board of directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these by-laws and as required by law; be custodian of the corporate records and of the seal of the Corporation and affix the seal of the Corporation to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these by-laws; and in general perform all duties incidental to the office of secretary and such other duties as from time to time may be assigned by the President or by the board of directors. In the absence of the Secretary-Treasurer or in the event of the inability or refusal of the Secretary-Treasurer to act, the President may designate another director as Acting Secretary-Treasurer to assume the powers, duties and functions of the Secretary-Treasurer.

ARTICLE V SEAL

The corporate seal of the Corporation shall be in the form of a circle and shall have inscribed thereon the words "Grand Junction, Colorado State Leasing Authority, Inc." and the words "Corporate Seal" (or abbreviations thereof).

ARTICLE VI FISCAL YEAR; AUDITS

The fiscal year of the Corporation shall begin on the first day of January of each year and shall end on the thirty-first day of December of such year. The Corporation's financial statements shall be audited annually, and a copy of each audit shall be provided to the City.

ARTICLE VII AMENDMENTS

These by-laws may be altered, amended or repealed by the affirmative vote of a majority of the members of the board of directors voting at any special or regular meeting. Notwithstanding the foregoing, these by-laws may not be altered, amended or repealed so as to be inconsistent with the Articles of Incorporation, that Ordinance No. _____ of the City establishing the Corporation, or with applicable law.

ADOPTED this _____ day of _____, 2006.

David Varley, Interim City Manager

W. T. Sisson

James Fleming

Sam Baldwin

Ann Driggers

December 4, 2006

Grand Junction, Colorado State Leasing Authority, Inc.
2828 Walker Field Drive, Suite 302
Grand Junction, CO 81506

American National Bank, as Trustee
3033 East 1st Avenue
Denver, CO 80206

Stifel Nicolaus & Company, Incorporated
1125 17th Street, Suite 1600
Denver, CO 80202

MBIA Insurance Corporation
113 King Street
Armonk, NY 10504

Younge & Hockensmith, P.C.
743 Horizon Court, Suite 200
Grand Junction, CO 81506

\$12,665,000

GRAND JUNCTION, COLORADO STATE LEASING AUTHORITY, INC.
LEASE REVENUE BONDS
(CBI LABORATORY FACILITIES PROJECT)
SERIES 2006

Ladies and Gentlemen:

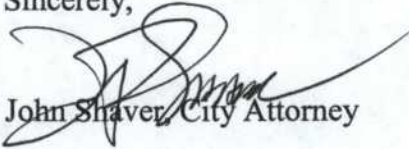
I represent the City of Grand Junction, Colorado (the "City") as its City Attorney. I am familiar with City Ordinance No. 3926 (the "Ordinance"). I am also familiar with the certificate of David Varley, Interim City Manager, dated December 4, 2006 attached hereto (the "Certificate").

I have reviewed the Ordinance, the Certificate and other documents I deemed necessary and proper to form my opinion that:

1. David Varley had at the time of execution of the Certificate, sufficient authorization to execute the same on behalf of the City.
2. The Ordinance was duly adopted on its second reading on July 5, 2006 in accordance with the City's home rule charter and other applicable law.

3. The Ordinance is in full force and effect as of December 4, 2006.
4. The Ordinance has not been amended or altered since its adoption.
5. On behalf of the City I disclaim any responsibility for any statement made or not made that should have been made in the Preliminary Official Statement of the final Official Statement issued in connection with the Grand Junction, Colorado State Leasing Authority, Inc. Lease Revenue Bonds (CBI Laboratory Facilities Project), Series 2006.

Sincerely,



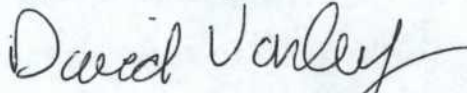
John Shaver, City Attorney

STATE OF COLORADO)
)
COUNTY OF MESA) ss. **GENERAL CERTIFICATE**
)
CITY OF GRAND JUNCTION,)
COLORADO)

The undersigned being first duly sworn on oath, deposes and says:

1. That he is the duly appointed, qualified, sworn and acting Interim City Manager of the City of Grand Junction, Colorado (the "City").
2. That Ordinance No. 3926 (the "Ordinance") of the City was duly adopted on its second reading on July 5, 2006, in accordance with applicable law and the City's home rule charter.
3. That the Ordinance is in full force and affect as of December 4, 2006.
4. That the Ordinance has not been amended or altered since its adoption and effectiveness.
5. That the City disclaims any responsibility for any statement made or not made that should have been made in the Preliminary Official Statement or the final Official Statement issued in connection with the Grand Junction, Colorado State Leasing Authority, Inc. Lease Revenue Bonds (CBI Laboratory Facilities Project), Series 2006.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Grand Junction, Colorado, this 4th day of December, 2006.

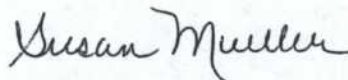


David Varley, Interim City Manager

[seal]

Subscribed and sworn to before me this 1st day of December, 2006.

My commission expires: My Commission Expires
06/30/2010



Notary Public