

ORDINANCE NO. 3985

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF GRAND JUNCTION, COLORADO, DOWNTOWN DEVELOPMENT AUTHORITY TAX INCREMENT REVENUE BONDS, SERIES 2006; PLEDGING THE TAX INCREMENT REVENUES OF THE CITY FOR THE PAYMENT OF THE BONDS; PROVIDING FOR THE PAYMENT AND DISCHARGE OF THE CITY'S OUTSTANDING TAX INCREMENT REVENUE BONDS.

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

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

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

Additional Bonds: the one or more series of bonds or other securities or obligations authorized to be issued by the City pursuant to Sections 16 and 17 hereof and having a lien on the Pledged Revenues on a parity with the lien of the 2006 Bonds.

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

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

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

Bonds: the Outstanding 2006 Bonds and any Outstanding Additional Bonds.

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

City: the City of Grand Junction, Colorado.

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

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

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

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

Governmental Obligations: bills, certificates, notes, bonds or similar securities which are direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or ownership interests in any of the foregoing) and which are not callable prior to their scheduled maturities by the issuer thereof.

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

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

2003 Ordinance: Ordinance No. 3585 of the City, adopted by the City Council on November 19, 2003, authorizing the issuance of the 2003 Bonds, as amended by Ordinance 3592 of the City, adopted by the City Council on December 17, 2003.

2006 Bonds: the City's Downtown Development Authority Tax Increment Revenue Bonds, Series 2006 issued pursuant to this Ordinance.

Ordinance: this Ordinance of the City, which provides for the issuance and delivery of the 2006 Bonds.

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

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

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

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

Owner or registered owner: the registered owner of any 2006 Bond as shown on the registration records kept by the Registrar.

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

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

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

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

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

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

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

Project: the improvements in the Plan of Development Area acquired with proceeds of the 2006 Bonds, which improvements shall be described in the Plan.

Purchaser: First National Bank of the Rockies.

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

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

Regular Record Date: the last business day of the calendar month next preceding each interest payment date for the 2006 Bonds (other than a special interest payment date hereafter fixed for the payment of defaulted interest).

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

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

State: the State of Colorado.

Tax Code: the Internal Revenue Code of 1986, as amended to the date of delivery of the 2006 Bonds, and any regulations promulgated thereunder.

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

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

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

Section 2. Recitals.

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

B. The Authority was organized by the City pursuant to the Act as a Colorado Downtown Development Authority for the purposes of the Act and subsequently

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

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

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

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

F. The ballot text submitted to the voters at the 1982 election for approval of the issuance of such debt was as follows:

Shall the City of Grand Junction, Colorado, be authorized to issue bonds or provide for loans, advances or indebtedness (including, but not limited to, obligations payable from project revenues or special assessments, but not including obligations which are general obligations of the City) and to pledge for the payment of the principal thereof, the interest thereon, and any premiums due in connection therewith the Tax Increment Fund created by Resolution of the City Council on December 16, 1981, containing the ad valorem and municipal sales tax increment funds derived or

to be derived from and attributable to development and redevelopment within the Grand Junction, Colorado, Downtown Development Authority, for the purpose of providing public improvements designed to improve traffic and pedestrian circulation within the downtown area, including, but not limited to, property acquisition for off-street parking, off-street surface and structure parking development, right-of-way acquisition, alleyway improvements, channelization, paving, curb and gutter improvements, landscaping, and traffic signal and control facilities, such bonds, loans, advances and indebtedness not to exceed in aggregate principal amount the sum of \$10,000,000 at a maximum net effective interest rate of 18% per annum and the pledge of the Tax Increment Fund not to exceed 25 years in duration?

G. The City has previously utilized \$7,819,500 of the existing authorization, leaving authorization of \$2,180,500 before issuance of the 2006 Bonds.

H. The 2006 Bonds issued for the Project shall be issued with terms such that they meet the requirements of the 1982 authorization.

I. The City has heretofore issued the 2003 Bonds in the original aggregate principal amount of \$2,995,000, of which \$805,000 remains outstanding bearing interest at the rates designated below, payable semi-annually on June 22 and December 22 in each year, and maturing on December 22 in the year and amount as follows:

<u>Maturity</u> <u>(December 22)</u>	<u>Principal Amount Outstanding</u>	<u>Interest Rate</u> <u>(Per annum)</u>
2007	805,000	2.75

J. The 2003 Bonds maturing on December 22, 2007 are subject to redemption prior to maturity, at the option of the City, in whole or in part, on December 22, 2006 or on any date thereafter at a redemption price equal to the principal amounts so redeemed plus accrued interest to the redemption date.

K. The City Council desires to use moneys presently on hand to cause the 2003 Bonds to be called for prior redemption in advance of or concurrently with the issuance of the 2006 Bonds, provided, however, that the proceeds of the 2006 Bonds will not be used to effect such redemption.

L. The City is not delinquent in the payment of the principal of, premium, if any, or interest on any of the 2003 Bonds.

M. Assuming the redemption of the 2003 Bonds as set forth above, there are no other liens on the Pledged Revenues. The Pledged Revenues may now be pledged lawfully and irrevocably for the payment of the 2006 Bonds.

N. The City expects to receive an offer from the Purchaser for the purchase of the 2006 Bonds for the purpose of defraying in whole or in part the costs of the Project and costs of issuance of the 2006 Bonds.

O. The City Council desires to cause the 2006 Bonds to be issued, to authorize and direct the application of the proceeds thereof as set forth herein, and to provide security for the payment thereof, all in the manner hereinafter set forth.

Section 3. Ratification. All actions heretofore taken (not inconsistent with the provisions of this Ordinance) by the City Council and other officers of the City in the creation of the Tax Increment Fund, the pledging of the Tax Increments (to the extent described herein) the implementation of the Project, and selling and issuing the 2006 Bonds for those purposes are ratified, approved and confirmed.

Section 4. Authorization of Project. The Project hereby is authorized at a cost of not exceeding \$2,180,500 (excluding costs to be paid from sources other than the proceeds of the 2006 Bonds). The useful life of the Project is not less than 10 years.

Section 5. Authorization of the 2006 Bonds. There hereby are authorized to be issued fully registered Tax Increment revenue securities of the City, to be designated "City of Grand Junction, Colorado, Downtown Development Authority Tax Increment Revenue Bonds, Series 2006" in the aggregate principal amount of \$2,180,500, to be payable and collectible, both as to principal and interest, from the Pledged Revenues.

Section 6. 2006 Bond Details. The 2006 Bonds shall be issued in fully registered form (i.e., registered as to both principal and interest) initially registered in the name of the Purchaser, shall be dated as of the date of their delivery, shall be issued in a denomination equal to the principal amount of the 2006 Bonds maturing on the maturity date set forth below. The 2006 Bonds shall be numbered in such manner as the Registrar may determine. The 2006 Bonds shall bear interest from their dated date until maturity payable semiannually on June 22 and December 22 in each year, commencing on June 22, 2007, except that any 2006 Bond which is reissued upon transfer or other replacement shall bear interest from the most recent interest payment date to which interest has been paid or duly provided for, or if no interest has been paid,

from the date of the 2006 Bonds. The maximum net effective interest rate on the Bonds shall be 18%. The 2006 Bonds shall bear interest at the rate designated below (based on a 360-day year consisting of twelve 30-day months) and shall mature on December 22 in the following year and in the following amount:

<u>Maturity (December 22)</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2007	\$2,180,500	3.90%

The principal of and premium, if any, on any 2006 Bond shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar at the Principal Operations Office, upon maturity thereof and upon presentation and surrender at the Principal Operations Office of the Paying Agent. If any 2006 Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the same interest rate borne by said 2006 Bond until the principal thereof is paid in full. Payment of interest on any 2006 Bond shall be made by check or draft mailed by the Paying Agent from the Principal Operations Office, on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to the registered owner thereof at the address shown on the registration records kept by the Registrar at the close of business on the Regular Record Date for such interest payment date; but any such interest not so timely paid or duly provided for shall cease to be payable to the Person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the Person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date and the date fixed for payment of the defaulted interest shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest. Notice of the Special Record Date and the date fixed for payment of the defaulted interest shall be given to the registered owners of the 2006 Bonds not less than ten days prior to the Special Record Date by first-class mail to each such registered owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any 2006 Bond by such alternative means as may be mutually agreed to between the Owner of such 2006 Bond and the



Paying Agent (provided, however, that if the Paying Agent is other than the City, the City shall not be required to make funds available to said Paying Agent prior to the dates provided in an agreement between the City and the successor Paying Agent. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar, if other than the City.

Section 7. Prior Redemption.

The 2006 Bonds are not subject to prior redemption.

Section 8. Lien on Pledged Revenues; Special Obligations. The 2006 Bonds constitute a pledge of, and an irrevocable first lien (but not an exclusive first lien) on all of the Pledged Revenues. The 2006 Bonds are equitably and ratably secured by a pledge of and lien on the Pledged Revenues. All of the 2006 Bonds, together with the interest accruing thereon shall be payable and collectible solely out of the Pledged Revenues, which are hereby irrevocably so pledged; the registered owner or owners of the 2006 Bonds may not look to any general or other fund of the City or the Authority for the payment of principal of and interest on the 2006 Bonds, except the designated special funds and accounts pledged therefor. The 2006 Bonds shall not constitute an indebtedness nor a debt within the meaning of any applicable Charter, constitutional or statutory provision or limitation; nor shall they be considered or held to be general obligations of the City or the Authority.

Section 9. Form of 2006 Bonds and Registration Panel. The 2006 Bonds and the registration panel shall be substantially as follows (provided that any portion of the 2006 Bond text may, with appropriate references, be printed on the back of the 2006 Bonds), with such omissions, insertions, endorsements, and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Ordinance, or be consistent with this Ordinance and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF MESA

CITY OF GRAND JUNCTION, COLORADO  
DOWNTOWN DEVELOPMENT AUTHORITY  
TAX INCREMENT REVENUE BOND  
SERIES 2006

R- \_\_\_\_\_ \$ \_\_\_\_\_

INTEREST RATE                      MATURITY DATE                      DATED DATE                      CUSIP

\_\_\_\_\_ %                      December 22, 2007                      \_\_\_\_\_, 2006

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Grand Junction, in the County of Mesa and State of Colorado (the "City"), for value received, promises to pay to the registered owner specified above, or registered assigns, solely from the special funds provided therefor, the principal amount specified above, on the maturity date specified above, and to pay from said sources interest thereon on June 22 and December 22 of each year, commencing on June 22, 2007, at the interest rate per annum specified above, until the principal sum is paid or payment has been provided therefor. This bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this bond. The principal of this bond is payable upon presentation and surrender hereof to the Principal Operations Office of the City's registrar and paying agent (the "Registrar" or the "Paying Agent"), initially the Finance Director for the City, whose Principal Operations Office is currently located at the City of Grand Junction, Colorado. Interest on this bond will be paid on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), by check or draft mailed to the person in whose name this bond is registered (the "registered owner") in the registration records of the City maintained by the Registrar at the Principal Operations Office and at the address appearing thereon at the close of business on the last business day of the calendar month next preceding such interest payment date (the "Regular

Record Date”). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the bonds of the series of which this is one (the “2006 Bonds”) not less than ten days prior to the Special Record Date. Alternative means of payment of interest may be used if mutually agreed to between the Owner of any Bond and the Paying Agent, as provided in the ordinance of the City authorizing the issuance of the 2006 Bonds (the “Bond Ordinance”). All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar. The 2006 Bonds are not subject to prior redemption.

The Bonds are issued in fully registered form, in denominations equal to the principal amount of the Bonds maturing on each maturity date. Subject to the aforementioned restriction, the 2006 Bonds are transferable only as set forth in the Bond Ordinance.

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

The 2006 Bonds are authorized for the purpose of defraying wholly or in part the costs of the Project (as defined in the Bond Ordinance), for the payment of costs and expenses incidental thereto and to the issuance of the 2006 Bonds, all under the authority of and in full conformity with the Constitution of the State of Colorado and the Act (as defined in the Bond Ordinance) and pursuant to the Bond Ordinance duly adopted, published and made a law of the City, all prior to the issuance of this bond. As provided in the Act, this bond and the interest thereon is exempt from taxation by the State of Colorado except inheritance, estate and transfer taxes.

The 2006 Bonds do not constitute a debt or an indebtedness of the City or the Authority within the meaning of any applicable charter, constitutional or statutory provision or

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

The 2006 Bonds constitute a pledge of, and an irrevocable first lien on all of the Pledged Revenues. The 2006 Bonds are equitably and ratably secured by a pledge of and first lien on the Pledged Revenues.

Payment of the principal of and interest on this bond shall be made from, and as security for such payment there are irrevocably pledged, pursuant to the Bond Ordinance, moneys deposited and to be deposited in a special account of the City (the "Bond Account") into which account the City has covenanted under the Bond Ordinance to pay from the Pledged Revenues a sum sufficient, together with other moneys available in the Bond Account therefor, to pay when due the principal of and interest on the 2006 Bonds and any Additional Bonds (as defined in the Bond Ordinance). Except as otherwise specified in the Bond Ordinance, this bond is entitled to the benefits of the Bond Ordinance equally and ratably both as to principal and interest with all other Bonds issued and to be issued under the Bond Ordinance, to which reference is made for a description of the rights of the Owners of the 2006 Bonds and the rights and obligations of the City. This bond is payable from the Pledged Revenues, and the Owner hereof may not look to any general or other fund of the City or the Authority for the payment of the principal of and interest on this bond except the Pledged Revenues. Reference is made to the Bond Ordinance for the provisions, among others, with respect to the custody and application of the proceeds of the 2006 Bonds, the receipt and disposition of the Pledged Revenues, the nature and extent of the security, the terms and conditions under which additional bonds payable from the Pledged Revenues may be issued, the rights, duties and obligations of the City, and the rights of the Owners of the 2006 Bonds; and by the acceptance of this bond the Owner hereof assents to

all provisions of the Bond Ordinance. The principal of and the interest on this bond shall be paid, and this bond is transferable, free from and without regard to any equities between the City and the original or any intermediate Owner hereof or any setoffs or cross-claims.

FOR PURPOSES OF SECTION 265(b)(3)(B) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE CITY HAS DESIGNATED THE 2006 BONDS AS A QUALIFIED TAX-EXEMPT OBLIGATION.

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

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

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

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

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President of the City Council

(MANUAL OR FACSIMILE SEAL)

Attest:

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City Clerk

(End of Form of Bond)

(Form of Registrar's Certificate of Authentication)

This is one of the 2006 Bonds described in the within-mentioned Bond Ordinance, and this Bond has been duly registered on the registration records kept by the undersigned as Registrar for such Bonds.

Date of Authentication  
and Registration: \_\_\_\_\_

CITY OF GRAND JUNCTION, COLORADO,  
as Registrar

By: \_\_\_\_\_  
Finance Director

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

(Form of Assignment)

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

Dated: \_\_\_\_\_

\_\_\_\_\_

Signature Guaranteed By:

\_\_\_\_\_  
(Firm or Bank)

Authorized Signature

Name and Address of transferee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Social Security or other tax  
identification number of transferee:

\_\_\_\_\_

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

TRANSFER FEES MAY BE CHARGED

(End of Form of Assignment)



Section 10. Negotiability. Subject to the registration provisions hereof, the 2006 Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the Owner or Owners thereof shall possess all rights enjoyed by the holders or owners of negotiable instruments under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest on the 2006 Bonds shall be paid, and the 2006 Bonds shall be transferable, free from and without regard to any equities between the City and the original or any intermediate owner of any 2006 Bonds or any setoffs or cross-claims.

Section 11. Execution. The 2006 Bonds shall be executed in the name and on behalf of the City by the signature of the President of the City Council, shall be sealed with a manual or facsimile impression of the seal of the City and attested by the signature of the City Clerk. Each 2006 Bond shall be authenticated by the manual signature of an authorized officer or employee of the Registrar as hereinafter provided. The signatures of the President of the City Council and the City Clerk may be by manual or facsimile signature. The 2006 Bonds bearing the manual or facsimile signatures of the officers in office at the time of the authorization thereof shall be the valid and binding obligations of the City (subject to the requirement of authentication by the Registrar as hereinafter provided), notwithstanding that before the delivery thereof and payment therefor or before the issuance of the 2006 Bonds upon transfer, any or all of the persons whose manual or facsimile signatures appear thereon shall have ceased to fill their respective offices. The President of the City Council and the City Clerk shall, by the execution of a signature certificate pertaining to the 2006 Bonds, adopt as and for their respective signatures any facsimiles thereof appearing on the 2006 Bonds. At the time of the execution of the signature certificate, the President of the City Council and the City Clerk may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the 2006 Bonds.

No 2006 Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by the Registrar if manually signed by an authorized officer or employee of the Registrar, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the 2006 Bonds issued hereunder. By authenticating any of the 2006

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

Section 12. Registration and Transfer.

A. Records for the registration and transfer of the 2006 Bonds shall be kept by the Registrar, which is hereby appointed by the City as registrar (i.e., transfer agent) for the 2006 Bonds. Upon the surrender for transfer of any 2006 Bond at the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall enter such transfer on the registration records and shall authenticate and deliver in the name of the transferee or transferees a new 2006 Bond or Bonds of the same series, of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with such transfers of 2006 Bonds, which charges (as well as any tax or other governmental charge required to be paid with respect to such transfer) shall be paid by the registered owner requesting such transfer.

B. The person in whose name any 2006 Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute Owner thereof for the purpose of making payment thereof and for all other purposes; except as may be otherwise provided in Section 6 hereof with respect to payment of interest; and, subject to such exception, payment of or on account of either principal or interest on any 2006 Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such 2006 Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such 2006 Bond to the extent of the sum or sums so paid.

C. If any 2006 Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it and the City may reasonably require, authenticate and deliver a replacement 2006 Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. If such lost, stolen, destroyed, or mutilated 2006 Bond shall have matured or is about to become due and payable, the Registrar may direct the Paying Agent to pay such 2006 Bond in lieu of replacement.

D. The officers of the City are authorized to deliver to the Registrar fully executed but unauthenticated 2006 Bonds in such quantities as may be convenient to be held in custody by the Registrar pending use as herein provided.

E. Whenever any 2006 Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer or replacement as provided herein, such 2006 Bond shall be promptly canceled by the Paying Agent or Registrar, and counterparts of a certificate of such cancellation shall be furnished by the Paying Agent or Registrar to the City.

Section 13. Delivery of 2006 Bonds and Disposition of Proceeds. When the 2006 Bonds have been duly executed by appropriate City officers and authenticated by the Registrar, the City shall cause the 2006 Bonds to be delivered to the Purchaser on receipt of the agreed purchase price. The 2006 Bonds shall be delivered in such denominations as the Purchaser shall direct (but subject to the provisions of Section 12 hereof); and the Registrar shall initially register the 2006 Bonds in such name or names as the Purchaser shall direct.

The proceeds of the 2006 Bonds shall be deposited promptly by the City and shall be accounted for in the following manner and are hereby pledged therefor, but the Purchaser of the 2006 Bonds or any subsequent Owner in no manner shall be responsible for the application or disposal by the City or any of its officers of any of the funds derived from the sale:

(i) All proceeds of the 2006 Bonds shall be credited to the Tax Increment Projects Fund, hereby created, to be used for the Project and for the costs of issuance of the 2006 Bonds. After payment of all costs of the Project and costs of issuance of the 2006 Bonds, or after adequate provision therefor is made, any unexpended balance of the proceeds of the 2006 Bonds shall be deposited in the Bond Account and applied to the payment of the principal of and interest on the 2006 Bonds.

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

A. Bond Account. A special account is hereby created and designated as the "City of Grand Junction, Colorado, Downtown Development Authority 2006 Tax Increment Revenue Bond Account" (the "Bond Account"). The Bond Account shall be held, administered and distributed by the City in accordance with the terms of this Ordinance. The Pledged

Revenues remaining in the Tax Increment Fund shall be credited immediately to the Bond Account until the total amount accumulated therein is equal to the sum of the following:

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

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

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

B. Termination Upon Deposits to Maturity. No payment need be made into the Bond Account if the amount in the Bond Account totals a sum at least equal to the entire amount of the Outstanding Bonds, both as to principal and interest to their respective maturities, in which case moneys in the Bond Account in an amount at least equal to such principal and interest requirements shall be used solely to pay such as the same accrue, and any moneys in excess thereof in the Bond Account may be withdrawn and used for any lawful purpose.

C. Defraying Delinquencies in Bond Account. If on any required payment date the City shall for any reason not have in the Bond Account the full amount above stipulated, then the City shall deposit into the Bond Account from the first Pledged Revenues thereafter received and not required to be applied otherwise by this Section (but excluding any payments required for any obligations subordinate to the Bonds) an amount equal to the difference between the amount then on deposit in the Bond Account and the amount needed to make the payments due on said payment date.

In the event that said first moneys credited to the Tax Increment Fund have been insufficient during a given Fiscal Year to meet the principal and interest requirements on the Bonds to be paid during said Fiscal Year, then during the month of December of said Fiscal Year, the City may at its option and sole discretion, transfer to the Bond Account from surplus legally available funds a sum equal to the amount needed to meet said debt service requirements due and owing on the Bonds. The City intends to include the question of whether to so replenish the Bond Account on its agenda in December of any Fiscal Year for which the balance of the

Bond Account is inadequate to meet said debt service requirements. If and to the extent the City decides to replenish the Bond Account from surplus legally available funds, all such City moneys deposited into the Bond Account shall be deemed a loan to the Tax Increment Fund, to be paid back on an annually subordinate basis pursuant to Section 14E as a “subordinate obligation.”

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

D. Rebate Account. Next, there shall be deposited in a special account hereby created and to be known as the “City of Grand Junction, Colorado, Downtown Development Authority 2006 Tax Increment Revenue Bonds Rebate Account” (the “Rebate Account”) amounts required by Section 148(f) of the Tax Code to be held until such time as any required rebate payment is made. Amounts in the Rebate Account shall be used for the purpose of making the payments to the United States required by Section 148(f) of the Tax Code. Any amounts in excess of those required to be on deposit therein by Section 148(f) of the Tax Code shall be withdrawn therefrom and deposited into the Bond Account. Funds in the Rebate Account shall not be subject to the lien created by this Ordinance to the extent such amounts are required to be paid to the United States Treasury. A similar rebate account may be created for any series of Additional Bonds and payments into such account shall have the same priority as payments into the Rebate Account created hereunder.

E. Payment for Subordinate Obligations. After the payments required by paragraphs A, C and D of this Section, the Pledged Revenues shall be used by the City for the payment of interest on and principal of any obligations secured by Pledged Revenues subordinate to the lien of the 2006 Bonds (including the repayment of any City loan to replenish the Bond Account), hereafter authorized to be issued, including reasonable reserves therefor.

F. Use of Remaining Revenues. After making the payments required to be made by this Section, any remaining Pledged Revenues may be used for any lawful purpose. Without limiting the foregoing, to the extent permitted by law, the City is hereby authorized to

transfer any and all remaining Pledged Revenues which constitute investment income on moneys in the Tax Increment Fund to the Authority to be used for administrative expenses.

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

A. Budget and Appropriation of Accounts. The sums provided to make the payments specified in Section 14 hereof are hereby appropriated for said purposes, and said amounts for each year shall be included in the annual budget and the appropriation ordinance or measures to be adopted or passed by the City Council in each year respectively while any of the 2006 Bonds, either as to principal or interest, are Outstanding and unpaid.

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

C. Investment of Accounts. Any moneys in any account established by Section 14 of this Ordinance and the Tax Increment Fund may be invested or reinvested in any Permitted Investment. Securities or obligations purchased as such an investment shall either be subject to redemption at any time at face value by the holder thereof at the option of such holder, or shall mature at such time or times as shall most nearly coincide with the expected need for moneys from the account in question. Securities or obligations so purchased as an investment of moneys in any such account shall be deemed at all times to be a part of the applicable account. The City shall present for redemption or sale on the prevailing market any securities or obligations so purchased as an investment of moneys in a given account whenever it shall be necessary to do so in order to provide moneys to meet any required payment or transfer from

such account. The City shall have no obligation to make any investment or reinvestment hereunder, unless any moneys on hand and accounted for in any one account exceed \$5,000 and at least \$5,000 therein will not be needed for a period of not less than 60 days. In such event the City shall invest or reinvest not less than substantially all of the amount which will not be needed during such 60-day period, except for any moneys on deposit in an interest-bearing account in a Commercial Bank, without regard to whether such moneys are evidenced by a certificate of deposit or otherwise, pursuant to this Section 15C and Section 15E hereof; but the City is not required to invest, or so to invest in such a manner, any moneys accounted for hereunder if any such investment would contravene the covenant concerning arbitrage in Section 18K hereof.

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

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

Section 16. Additional Bonds.

A. Limitations Upon Issuance of Additional Bonds. Nothing in this Ordinance shall be construed in such a manner as to prevent the issuance by the City of Additional Bonds payable from and constituting a lien upon the Pledged Revenues on a parity with the lien of the 2006 Bonds; but before any such Additional Bonds are authorized or actually issued (excluding any parity refunding securities refunding the Bonds or a part thereof, as provided in Section 17 hereof), the following provisions B through F must all first be satisfied.

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

C. Historic Revenues Test. The Tax Increments constituting Pledged Revenues, as certified by the City Council, received in the last complete Fiscal Year immediately preceding the date of the issuance of such Additional Bonds, shall have been sufficient to pay an

amount at least equal to 100% of the sum derived by adding the following: (i) the Average Annual Debt Service for the Outstanding Bonds and (ii) the Average Annual Debt Service for the Additional Bonds proposed to be issued.

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

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

F. Reduction of Annual Requirements. The respective annual debt service requirements set forth in Section 16 hereof (including as such a requirement, the amount of any prior redemption premiums due on any redemption date as of which the City shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of bonds or securities for redemption) shall be reduced to the extent such debt service requirements are scheduled to be paid in each of the respective Fiscal Years with moneys held in trust or in escrow for that purpose by any Trust Bank located within or without the State, including the known minimum yield from any investment of such moneys in Governmental Obligations and bank deposits, including any certificate of deposit.

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

H. Subordinate Securities Permitted. Nothing herein prevents the City from issuing additional bonds or other additional securities for any lawful purpose payable from the



Pledged Revenues having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds.

I. Superior Securities Prohibited. Nothing herein permits the City to issue bonds or other securities payable from the Pledged Revenues and having a lien thereon prior and superior to the lien thereon of the 2006 Bonds.

Section 17. Refunding Obligations.

A. Generally. If at any time after the 2006 Bonds, or any part thereof, shall have been issued and remain Outstanding, the City shall find it desirable to refund any Outstanding obligations payable from the Pledged Revenues, said obligations, or any part thereof, may be refunded, subject to the provisions of paragraph B of this Section, if (1) the obligations to be refunded, at the time of their required surrender for payment, shall then mature or shall then be callable for prior redemption at the City's option upon proper call, or (2) the owners of the obligations to be refunded consent to such surrender and payment.

B. Protection of Obligations Not Refunded. Any refunding obligations payable from the Pledged Revenues shall be issued with such details as the City Council may provide, so long as there is no impairment of any contractual obligation imposed upon the City by any proceedings authorizing the issuance of any unrefunded portion of obligations payable from the Pledged Revenues; but so long as any 2006 Bonds are Outstanding, refunding obligations payable from the Pledged Revenues may be issued on a parity with the unrefunded Bonds only if:

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

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

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

Section 18. Protective Covenants. The City hereby additionally covenants and agrees with each and every Owner of the 2006 Bonds that:

A. Use of 2006 Bond Proceeds. The City will proceed with the Project without delay and with due diligence.

B. Payment of 2006 Bonds. The City will promptly pay the principal of and interest on every 2006 Bond issued hereunder and secured hereby on the dates and in the manner specified herein and in said 2006 Bonds according to the true intent and meaning hereof. Such principal and interest is payable solely from the Pledged Revenues.

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

Unless required by law, the City shall not make any further modification of the Resolution or the Plan which would reduce the Tax Increments deposited or to be deposited in the Tax Increment Fund or otherwise materially impair the pledged security for the 2006 Bonds unless the required consent is obtained, all as provided in Section 25 of this Ordinance.

The City shall maintain the Tax Increment Fund as a fund of the City separate and distinct from all other funds of the City and immediately upon receipt or collection of the Tax Increments shall deposit the Tax Increments (less 20% of the Tax Increments originating from sales tax revenues for a portion of the Plan of Development Area and 30% of such increments from another portion of the Plan of Development Area as provided in Grand Junction City Resolution No. 28-83) into said fund.

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

The foregoing covenants are subject to compliance by the City with its Charter, any legislation of the United States or the State or any regulation or other action taken by the federal government or any State agency or any political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof or the public welfare, which legislation, regulation or action applies to the City as a Colorado municipality and limits or otherwise inhibits the amount of such tax revenues due to the City. All of the Tax Increments (less 20% of the Tax Increments originating from sales tax revenues for a portion of the Plan of Development Area and 30% of such increments from another portion of the Plan of Development Area as

provided in Grand Junction City Resolution No. 28-83) shall be subject to the payment of the debt service requirements of all Bonds payable from the Pledged Revenues and the Tax Increment Fund, including reserves therefor if any, as provided herein or in any instrument supplemental or amendatory hereto.

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

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

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

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

F. Conditions Precedent. Upon the issuance of any of the 2006 Bonds, all conditions, acts and things required by the Constitution or laws of the United States, the Constitution or laws of the State, the Charter or this Ordinance to exist, to have happened, and to

have been performed precedent to or in the issuance of the 2006 Bonds shall exist, have happened and have been performed, and the 2006 Bonds, together with all other obligations of the City, shall not contravene any debt or other limitation prescribed by the Constitution or laws of the United States, the Constitution or laws of the State or the Charter.

G. Records. So long as any of the 2006 Bonds remain Outstanding, proper books of record and account will be kept by the City, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Pledged Revenues and the accounts created or continued by this Ordinance.

H. Audits. The City further agrees that it will cause an audit of such books and accounts to be made by a certified public accountant, who is not an employee of the City, showing the Pledged Revenues. The City agrees to allow the Owner of any of the 2006 Bonds to review and copy such audits and reports, at the City's offices, at his request. Copies of such audits and reports will be furnished to the Purchaser.

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

J. Other Liens. As of the date of issuance of the 2006 Bonds, there are no liens or encumbrances of any nature whatsoever on or against any of the Pledged Revenues.

K. Tax Covenant. The City covenants for the benefit of the Registered Owners of the 2006 Bonds that it will not take any action or omit to take any action with respect to the 2006 Bonds, the proceeds thereof, any other funds of the City or any facilities financed or refinanced with the proceeds of the 2006 Bonds if such action or omission (i) would cause the interest on the 2006 Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the 2006 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the 2006 Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under

present Colorado law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the 2006 Bonds until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code and Colorado law have been met.

The City hereby designates the 2006 Bonds as a qualified tax-exempt obligation for purposes of Section 265(b)(3)(B) of the Tax Code.

L. City's Existence. The City will maintain its corporate identity and existence so long as any of the 2006 Bonds remain Outstanding, unless another political subdivision by operation of law succeeds to the duties, privileges, powers, liabilities, disabilities, immunities and rights of the City and is obligated by law to receive and distribute the Pledged Revenues in place of the City, without materially adversely affecting the privileges and rights of any Owner of any Outstanding 2006 Bonds.

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

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

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

Section 19. Defeasance. When the 2006 Bonds have been fully paid both as to principal and interest, all obligations hereunder shall be discharged and the 2006 Bonds shall no longer be deemed to be Outstanding for any purpose of this Ordinance, except as set forth in Section 18K hereof. Payment of any 2006 Bonds shall be deemed made when the City has placed in escrow with a Trust Bank an amount sufficient (including the known minimum yield from Governmental Obligations) to meet all requirements of principal and interest on such 2006 Bonds as the same become due to maturity. The Governmental Obligations shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule agreed upon between the City and such Trust Bank at the time of creation of the escrow and shall not be callable by the issuer thereof prior to their scheduled maturities.

In the event that there is a defeasance of only part of the 2006 Bonds of any maturity, the Registrar shall, if requested by the City, institute a system to preserve the identity of the individual 2006 Bonds or portions thereof so defeased, regardless of changes in bond numbers attributable to transfers of 2006 Bonds; and the Registrar shall be entitled to reasonable compensation and reimbursement of expenses from the City in connection with such system.

Section 20. Delegated Powers. The officers of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limiting the generality of the foregoing; the printing of the 2006 Bonds and the execution of such certificates as may be required by the Purchaser, including, but not necessarily limited to, the absence and existence of factors affecting the exclusion of interest on the 2006 Bonds from gross income for federal income tax purposes.

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

A. Nonpayment of Principal. If payment of the principal of any of the 2006 Bonds shall not be made when the same shall become due and payable at maturity; or

B. Nonpayment of Interest. If payment of any installment of interest on the 2006 Bonds shall not be made when the same becomes due and payable; or

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

D. Default of Any Provision. If the City shall default in the due and punctual performance of its covenants or conditions, agreements and provisions contained in the 2006 Bonds or in this Ordinance on its part to be performed, other than those delineated in paragraphs A and B of this Section, and if such default shall continue for 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the Owners of not less than 25% in aggregate principal amount of the 2006 Bonds then Outstanding.

Section 22. Remedies. Upon the happening and continuance of any event of default as provided in Section 21 hereof, the Owner or Owners of not less than 25% in aggregate principal amount of the Outstanding Bonds, or a trustee therefor, may protect and enforce their rights hereunder by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, the appointment of a receiver (the consent of

such appointment being hereby granted), injunctive relief, or requiring the City Council to act as if it were the trustee of an express trust, or any combination of such remedies. All proceedings shall be maintained for the equal benefit of all Owners of Bonds. The failure of any Owner to proceed does not relieve the City or any Person of any liability for failure to perform any duty hereunder. The foregoing rights are in addition to any other right available to the Owners of Bonds and the exercise of any right by any Owner shall not be deemed a waiver of any other right.

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

Section 24. Replacement of Registrar or Paying Agent. If the City shall determine that it wishes to appoint a Registrar or Paying Agent other than the Finance Director of the City, the City may, upon notice mailed to each Owner of any 2006 Bond at his address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No subsequent resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. Every such successor Registrar or Paying Agent shall be the City or a bank or trust company having a shareowner's equity (e.g., capital, surplus, and undivided profits), however denominated, of not less than \$10,000,000. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

Section 25. Amendment. After any of the 2006 Bonds have been issued, this Ordinance shall constitute a contract between the City and the Owners of the 2006 Bonds and

shall be and remain irrevocable until the 2006 Bonds and the interest thereon have been fully paid, satisfied and discharged.

A. The City may, without the consent of, or notice to the Owners of the 2006 Bonds, adopt such ordinances supplemental hereto (which supplemental amendments shall thereafter form a part hereof) for any one or more or all of the following purposes:

(1) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in this Ordinance, or to make any provisions with respect to matters arising under this Ordinance or for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the 2006 Bonds;

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

(3) to grant or confer upon the Registrar for the benefit of the registered owners of the 2006 Bonds any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the registered owners of the 2006 Bonds; or

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

B. Exclusive of the amendatory ordinances permitted by paragraph A of this Section, this Ordinance may be amended or supplemented by ordinance adopted by the City Council in accordance with the law, without receipt by the City of any additional consideration but with the written consent of the Owners of at least 66% in aggregate principal amount of the 2006 Bonds Outstanding at the time of the adoption of such amendatory or supplemental ordinance; provided, however, that, without the written consent of the Owners of all of the 2006 Bonds adversely affected thereby, no such ordinance shall have the effect of permitting:

(1) An extension of the maturity of any 2006 Bond authorized by this Ordinance; or

(2) A reduction in the principal amount of any 2006 Bond or the rate of interest thereon; or

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



(4) A reduction of the principal amount of 2006 Bonds required for consent to such amendatory or supplemental ordinance; or

(5) The establishment of priorities as between 2006 Bonds issued and Outstanding under the provisions of this Ordinance; or

(6) The modification of or otherwise affecting the rights of the Owners of less than all of the 2006 Bonds then Outstanding.

Section 26. Redemption of 2003 Bonds.

A. Exercise of Option. The City Council has elected and does hereby declare its intent to exercise on behalf and in the name of the City its option to redeem on December 22, 2006, all of the outstanding 2003 Bonds maturing on December 22, 2007. The City Council is hereby obligated so to exercise such option, which option shall be deemed to have been exercised when notice is duly given and completed forthwith prior to or upon the issuance of the 2006 Bonds as herein provided.

B. Authorization to Undertake Redemption. The Finance Director of the City is hereby authorized and directed to take all action necessary or appropriate to effectuate the prior redemption of the 2003 Bonds, including but not limited to the giving of notices of prior redemption of the 2003 Bonds in the form and manner set forth in the 2003 Ordinance.

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

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

Section 29. Ordinance Irrepealable. After any of the 2006 Bonds herein authorized are issued, this Ordinance shall constitute a contract between the City and the Owners

of the 2006 Bonds, and shall be and remain irrevocable until the 2006 Bonds and interest thereon shall be fully paid, canceled and discharged as herein provided.

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

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

INTRODUCED, PASSED ON FIRST READING, APPROVED AND ORDERED PUBLISHED IN PAMPHLET FORM this 1<sup>st</sup> day of November, 2006.

CITY OF GRAND JUNCTION, COLORADO

/s/: James J. Doody  
President of the City Council

Attest:

/s/: Stephanie Tuin  
City Clerk

INTRODUCED, PASSED ON SECOND READING, APPROVED AND ORDERED PUBLISHED IN PAMPHLET FORM this 15<sup>th</sup> day of November, 2006.

CITY OF GRAND JUNCTION, COLORADO

/s/: James J. Doody  
President of the City Council

Attest:

/s/: Stephanie Tuin  
City Clerk

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

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

1. The foregoing pages are a true, correct and complete copy of an ordinance (the “Ordinance”) which was introduced, passed on first reading and ordered published in full by the Council at a regular meeting thereof held on November 1, 2006 and was duly adopted and ordered published in full by the Council at a regular meeting thereof held on November 15, 2006 which Ordinance has not been revoked, rescinded or repealed and is in full force and effect on the date hereof.

2. The Ordinance was duly moved and seconded and the Ordinance was passed on first reading at the meeting of November 1, 2006, by an affirmative vote of a majority of the members of the Council as follows:

<u>Councilmember</u>	<u>Voting “Aye”</u>	<u>Voting “Nay”</u>	<u>Absent</u>	<u>Abstaining</u>
Jim Doody	X			
Bonnie Beckstein	X			
Bruce Hill	X			
Gregg Palmer	X			
Jim Spehar	X			
Teresa Coons	X			
Doug Thomason	X			

3. The Ordinance was duly moved and seconded and the Ordinance was finally passed on second reading at the meeting of November 15, 2006, by an affirmative vote of a majority of the members of the Council as follows:

<u>Councilmember</u>	<u>Voting “Aye”</u>	<u>Voting “Nay”</u>	<u>Absent</u>	<u>Abstaining</u>
Jim Doody	X			
Bonnie Beckstein	X			

Bruce Hill	X			
Gregg Palmer	X			
Jim Spehar	X			
Teresa Coons	X			
Doug Thomason	X			

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

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

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

7. Notices of the meetings of November 1, 2006 and November 15, 2006 in the forms attached hereto as Exhibit A were posted at City Hall in accordance with law.

8. The Ordinance was published in pamphlet form in The Daily Sentinel, a daily newspaper of general circulation in the City, on November 3, 2006 and November 17, as required by the City Charter. True and correct copies of the affidavits of publication are attached hereto as Exhibit B.

WITNESS my hand and the seal of the City affixed this 20th day of November, 2006.

/s/ Stephanie Tuin  
City Clerk and Clerk to the Council

(SEAL)

# EXHIBIT A

**GRAND JUNCTION CITY COUNCIL  
CITY HALL AUDITORIUM, 250 NORTH 5<sup>TH</sup> STREET  
AGENDA**

**WEDNESDAY, NOVEMBER 1, 2006, 7:00 P.M.**

**Call to Order**

Pledge of Allegiance  
Invocation – Pastor Benny Lenard, Spirit of Life Christian Church

**Proclamations / Recognitions**

Proclaiming November, 2006 as “Hospice and Palliative Care Month” in the City of Grand Junction

Proclaiming November 11, 2006 as “Veteran’s Day” in the City of Grand Junction

**Appointments**

Ratify Appointments to the Mesa County Building Code Board of Appeals

**Citizen Comments**

**\*\*\* CONSENT CALENDAR \*\*\*®**

1. **Minutes of Previous Meetings** **Attach 1**  
*Action: Approve the Summary of the October 16, 2006 Workshop and the Minutes of the October 18, 2006 Special Session and October 18, 2006 Regular Meeting*

2. **Visitor and Convention Bureau Center Remodel** **Attach 2**

This approval request is for the construction contract for the addition and remodel of the Visitor Center building.

*Action:* Authorize the City Purchasing Division to Enter into a Contract, in the Amount of \$387,000 with Classic Constructors, Inc. for the Completion of the Addition and Remodel

Staff presentation: Debbie Kovalik, VCB Director  
Jay Valentine, Purchasing Manager

3. **Setting a Hearing for the Becerra Annexation, Located at 244 28 ½ Road** **Attach 3**  
[File #ANX-2006-256]

Request to annex 1.50 acres, located at 244 28 ½ Road. The Becerra Annexation consists of one parcel and is a three part serial annexation.

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

Resolution No. 132-06 – A Resolution Referring a Petition to the City Council for the Annexation of Lands to the City of Grand Junction, Colorado, Setting a Hearing on Such Annexation, and Exercising Land Use Control, Becerra Annexation, Located at 244 28 ½ Road, Including a Portion of the 28 ½ Road Right-of-Way

*Action:* Adopt Resolution No. 132-06

**b. Setting a Hearing on Proposed Ordinances**

Proposed Ordinance Annexing Territory to the City of Grand Junction, Colorado, Becerra Annexation No. 1, Approximately 0.01 Acres, Located Within the 28 ½ Road Right-of-Way

Proposed Ordinance Annexing Territory to the City of Grand Junction, Colorado, Becerra Annexation No. 2, Approximately 0.20 acres, Located Within the 28 ½ Road Right of Way

Proposed Ordinance Annexing Territory to the City of Grand Junction, Colorado, Becerra Annexation No. 3, Approximately 1.29 Acres, Located at 244 28 ½ Road and Including a Portion of the 28 ½ Road Right-of-Way

*Action:* Introduction of Proposed Ordinances and Set a Hearing for December 6, 2006

Staff presentation: Adam Olsen, Associate Planner

4. **Setting a Hearing for the Humphrey Annexation, Located 412 30 ¼ Road**  
[File #ANX-2006-260] **Attach 4**

Request to annex approximately 10.43 acres, located at 412 30 ¼ Road. The Humphrey Annexation consists of one parcel and is a three part serial annexation.

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

Resolution No. 133-06 – A Resolution Referring a Petition to the City Council for the Annexation of Lands to the City of Grand Junction, Colorado, Setting a Hearing on Such Annexation, and Exercising Land Use Control, Humphrey Annexation, Located at 412 30 ¼ Road Including a Portion of the 30 ¼ Road Right-of-Way

®Action: *Adopt Resolution No. 133-06*

b. **Setting a Hearing on Proposed Ordinances**

Proposed Ordinance Annexing Territory to the City of Grand Junction, Colorado, Humphrey Annexation No. 1, Approximately .10 Acres, Located Within the 30 ¼ Road Right-of-Way

Proposed Ordinance Annexing Territory to the City of Grand Junction, Colorado, Humphrey Annexation No. 2, Approximately .98 Acres, Located Within the 30 ¼ Road Right-of-Way

Proposed Ordinance Annexing Territory to the City of Grand Junction, Colorado, Humphrey Annexation No. 3, Approximately 9.35 Acres, Located at 412 30 ¼ Road

Action: *Introduction of Proposed Ordinances and Set a Hearing for December 6, 2006*

Staff presentation: Adam Olsen, Associate Planner

5. **Setting a Hearing for the Pacheco-Woodbring Annexation, Located at 2814 C ¾ Road**  
[GPA-2006-248] **Attach 5**

Request to annex 10.13 acres, located at 2814 C ¾ Road. The Pacheco-Woodbring Annexation consists of one parcel.

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

Resolution No. 134-06 – A Resolution Referring a Petition to the City Council for the Annexation of Lands to the City of Grand Junction, Colorado, Setting a Hearing on Such Annexation, and Exercising Land Use Control, Pacheco-Woodbring Annexation, Located at 2814 C <sup>3</sup>/<sub>4</sub> Road

®Action: *Adopt Resolution No. 134-06*

**b. Setting a Hearing on Proposed Ordinance**

Proposed Ordinance Annexing Territory to the City of Grand Junction, Colorado Pacheco-Woodbring Annexation, Approximately 10.13 Acres, Located at 2814 C <sup>3</sup>/<sub>4</sub> Road

Action: *Introduction of a Proposed Ordinance and Set a Hearing for December 6, 2006*

Staff presentation: Ken Kovalchik, Senior Planner

6. **Setting a Hearing for the Adoption of the Master Plan 2005 for St. Mary's Hospital and Re-Establishing Standards for the (PD), Planned Development Zone District, Located at 2635 North 7<sup>th</sup> Street** [File #ICM-2006-005] **Attach 6**

Introduction of a proposed ordinance to adopt the Master Plan 2005 for St. Mary's Hospital and Re-Establishing Standards for the PD, Planned Development Zone District for Property Owned by St. Mary's Hospital.

Proposed Ordinance Approving the Master Plan 2005 for St. Mary's Hospital and Environs Located at 2635 North 7<sup>th</sup> Street and Re-Establishing Standards for the Planned Development (PD) Zone District for Property Owned by St. Mary's Hospital

Action: *Introduction of a Proposed Ordinance and Set a Hearing for November 15, 2006*

Staff presentation: Scott D. Peterson, Senior Planner

7. **Setting a Hearing for Zoning the Thunderbrook Estates Annexation, Located at 3061 & 3061 ½ F ½ Road** [File #GPA-2006-238] **Attach 7**

Request to zone the 15.60 acre Thunderbrook Estates Annexation, located at 3061 and 3061 ½ F ½ Road, to RSF-4 (Residential Single Family, 4 units per acre).



Proposed Ordinance Zoning the Thunderbrook Estates Annexation to RSF-4, (Residential Single Family, 4 Units Per Acre) Located at 3061 and 3061 ½ F ½ Road

Action: *Introduction of Proposed Ordinance and Set a Hearing for November 15, 2006*

Staff presentation: Faye Hall, Associate Planner

8. **Setting a Hearing for Zoning the Fox Annexation, Located at 3000 F Road** **Attach 8**  
[File #GPA-2006-087]

Request to zone the Fox Annexation from County RSF-4 (Residential Single Family, 4 units per acre) to RO (Residential Office).

Proposed Ordinance Zoning the Fox Annexation to RO (Residential Office), Located at 3000 F Road

Action: *Introduction of Proposed Ordinance and Set a Hearing for November 15, 2006*

Staff presentation: Kathy Portner, Assistant Director of Community Development

9. **Contract for Audit Services** **Attach 9**

A resolution authorizing a contract for audit services between the City of Grand Junction, Colorado and Chadwick, Steinkirchner, Davis, and Company, P.C. (CSD) for 2006, with renewal at the City's option for an additional three years.

Resolution No. 135-06 – A Resolution Authorizing a Contract for Audit Services between the City of Grand Junction, Colorado, and Chadwick, Steinkirchner, Davis, and Company, P.C.

Action: *Adopt Resolution No. 135-06*

Staff presentation: Ron Lappi, Administrative Services and Finance Director

10. **Setting a Hearing Authorizing the Issuance of the City of Grand Junction, Downtown Development Authority Subordinate Tax Increment Revenue Bonds** **Attach 10**

The proposed ordinance authorizes the issuance of one bond in the amount of \$2,180,500 with it maturing December 22, 2007.

Proposed Ordinance Authorizing the Issuance of the City of Grand Junction, Colorado, Downtown Development Authority Tax Increment Revenue Bonds, Series 2006, Pledging the Tax Increment Revenues of the City for the Payment of

the Bonds; Providing for the Payment and Discharge of the City's Outstanding Tax Increment Revenue Bonds

Action: *Introduction of a Proposed Ordinance and Set a Hearing for November 15, 2006*

Staff presentation: Ron Lappi, Administrative Services and Finance Director

11. **Change Order #5 to the Contract for the Duck Pond Park Lift Station Elimination Project** **Attach 11**

The work defined by change order #5 includes relocation of an existing sewer line, allowing for installation of an additional girder line on the Highway 50 Bridge crossing the Colorado River. Construction of the girder is part of Phase 3 of the Riverside Parkway project. The existing sewer line that hangs under the bridge is in conflict with this girder line and will need to be moved. Re-routing the flow to the Duck Pond project is the most cost effective way to accomplish this task.

Action: *Authorize the City Manager to Approve Contract Change Order #5 to the Duck Pond Park Life Station Elimination Project in the Amount of \$137,647.00 with Mendez, Inc., for Relocating the Existing Sewer Line Crossing the Colorado River on the Highway 50 Bridge*

Staff presentation: Mark Relph, Public Works and Utilities Director

12. **Lease of City Owned Parking Lot at 2<sup>nd</sup> and Pitkin Avenue** **Attach 12**

Commencing in October 2003, the City began leasing the lot it owns on the corner of 2<sup>nd</sup> and Pitkin to Simmons Lock and Key ("Simmons"), 322 S. 2<sup>nd</sup>. Because the parcel may be required for future improvements at the curve of Pitkin Avenue, selling the property is not an option. City Council is asked to approve the City Manager entering into another lease with similar terms as the first with the option for renewal of the lease over the next three years. The City retains the right to terminate the lease upon 30 days notice.

Resolution No. 136-06 – A Resolution Authorizing the Lease of a City Owned Lot at 2<sup>nd</sup> and Pitkin Avenue by Simmons Lock and Key, Inc.

Action: Adopt Resolution No. 136-06

Staff presentation: John Shaver, City Attorney

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

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

13. **Public Hearing – Rezone and Outline Development Plan 1<sup>st</sup> and Patterson Planned Development** [File #ODP-2005-309] **Attach 13**

Request to rezone 20.7 acres, located at the southwest corner of 1<sup>st</sup> Street and Patterson Road, from RMF-12 (Residential Multifamily, 12 units per acre) to PD (Planned Development) and approval of an Outline Development Plan (ODP) for a mixed use development.

Ordinance No. 3981 - An Ordinance Rezoning Approximately 20.7 Acres from RMF-12 to PD (Planned Development), the 1<sup>st</sup> and Patterson Planned Development, Located at the Southwest Corner of 1<sup>st</sup> Street and Patterson Road

*Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3981*

Staff presentation: Kathy Portner, Assistant Director of Community Development

14. **Conduct a Hearing to Appeal a Planning Commission Decision to Deny the Pinnacle Ridge Preliminary Plan, Located Northeast of Monument Road and Mariposa Drive** [File #PP-2005-226] **Attach 14**

Appeal of the Planning Commission denial of the Pinnacle Ridge Preliminary Plan, consisting of 72 single family lots on 45.33 acres in a RSF-2 (Residential Single Family, 2 du/ac) zone district.

*Action: Review and Decide on the Appeal*

Staff presentation: Kathy Portner, Assistant Director of Community Development

15. **Public Hearing – Baldwin Annexation and Zoning, Located at 2102 and 2108 Highway 6 and 50** [File #ANX-2006-182] **Attach 15**

Request to annex and zone 3.19 acres, located at 2102 and 2108 Highway 6 and 50, to I-1 (Light Industrial). The Baldwin Annexation consists of two parcels.

**a. Accepting Petition**

Resolution No. 137-06 – A Resolution Accepting a Petition for Annexation, Making Certain Findings, Determining that Property Known as the Baldwin Annexation #1 and #2, Located at 2102 and 2108 Highway 6 and 50 and a Portion of the Highway 6 and 50 Right-of-Way is Eligible for Annexation

**b. Annexation Ordinance**

Ordinance No. 3982 - An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Baldwin Annexation #1, Approximately .10 Acres, Located at 2102 and 2108 Highway 6 and 50, Within the Highway 6 and 50 Right-of-Way

Ordinance No. 3983 – An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Baldwin Annexation #2, Approximately 3.09 Acres, Located at 2102 and 2108 Highway 6 and 50 and a Portion of the Highway 6 and 50 Right-of-Way

**c. Zoning Ordinance**

Ordinance No. 3984 - An Ordinance Zoning the Baldwin Annexation to I-1, (Light Industrial), Located at 2102 and 2108 Highway 6 and 50

*®Action: Adopt Resolution No. 137-06 and Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance Nos. 3982, 3983, and 3984*

Staff presentation: Faye Hall, Associate Planner

16. **Public Hearing – Thunderbrook Estates Growth Plan Amendment, Located at 3061 ½ F ½ Road** [File #GPA-2006-238] **Attach 16**

Request to amend the Growth Plan, to change the Future Land Use Designation from Public to Residential Medium Low for one parcel consisting of approximately 11.06 acres.

Resolution No. 138-06 – A Resolution Amending the Growth Plan of the City of Grand Junction to Designate Approximately 11.06 Acres, Located at 3061 ½ F ½ Road, From Public to Residential Medium Low

*®Action: Adopt Resolution No. 138-06*

Staff presentation: Faye Hall, Associate Planner

17. **Non-Scheduled Citizens & Visitors**

18. **Other Business**

19. **Adjournment**

To access the Agenda and Backup Materials electronically,  
go to [www.gjcity.org](http://www.gjcity.org) – Keyword e-packet

**GRAND JUNCTION CITY COUNCIL  
CITY HALL AUDITORIUM, 250 NORTH 5<sup>TH</sup> STREET  
AGENDA**

**WEDNESDAY, NOVEMBER 15, 2006, 7:00 P.M.**

**Call to Order**

Pledge of Allegiance  
Invocation – Michael Torphy, Religious Science Spiritual  
Center

**Proclamations / Recognitions**

Proclaiming November 19 – 25, 2006 as “Family Week” in the City of Grand Junction

Proclaiming November 15, 2006 as “Recycling Day” in the City of Grand Junction

El Poso Neighborhood Special Improvement District Completion Report **Attach 1**

**Appointments**

Appointments to the Parks and Recreation Advisory Board

Appointments to the Housing Authority

**Citizen Comments**

**\*\*\* CONSENT CALENDAR \*\*\*®**

1. **Minutes of Previous Meetings** **Attach 2**

*Action: Approve the Summary of the October 30, 2006 Workshop and the Minutes of the October 30, 2006 Special Session and the November 1, 2006 Regular Meeting*

2. **Setting a Hearing on Zoning the Becerra Annexation, Located at 244 28 ½ Road** [File #ANX-2006-256] **Attach 3**

Request to zone the 1.50 acre Becerra Annexation, located at 244 28 ½ Road to RSF-4 (Residential Single Family 4 du/ac).

Proposed Ordinance Zoning the Becerra Annexation to RSF-4, Located at 244 28 ½ Road

Action: *Introduction of Proposed Ordinance and Set a Hearing for December 6, 2006*

Staff presentation: Adam Olsen, Associate Planner

3. **Setting a Hearing on Zoning the Humphrey Annexation, Located at 412 30 ¼ Road** [File #ANX-2006-260] **Attach 4**

Request to zone the 10.43 acre Humphrey Annexation, located at 412 30 ¼ Road to RMF-8 (Residential Multi Family 8 du/ac).

Proposed Ordinance Zoning the Humphrey Annexation to RMF-8, Located at 412 30 ¼ Road

Action: *Introduction of Proposed Ordinance and Set a Hearing for December 6, 2006*

Staff presentation: Adam Olsen, Associate Planner

4. **Setting a Hearing on Zoning the Pear Park School No. 3 Annexation, Located at Grand Valley Canal West of 29 ½ Road and North of D ¼ Road** [File #ANX-2006-276] **Attach 5**

Request to zone the 1 acre Pear Park School No. 3 Annexation, located at Grand Valley Canal west of 29 ½ Road and north of D ¼ Road, to CSR (Community Services and Recreation).

Proposed Ordinance Zoning the Pear Park School No. 3 Annexation to CSR, Located at Grand Valley Canal West of 29 ½ Road and North of D ¼ Road

Action: *Introduction of Proposed Ordinance and Set a Hearing for December 6, 2006*

Staff presentation: Senta L. Costello, Associate Planner

5. **Setting a Hearing for the Mahan Manor Annexation, Located at 2855 Unawep Avenue** [File #ANX-2006-277] **Attach 6**

Request to annex 10.34 acres, located at 2855 Unawep Avenue. The Mahan Manor Annexation consists of one parcel.

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

Resolution No. 139-06 – A Resolution Referring a Petition to the City Council for the Annexation of Lands to the City of Grand Junction, Colorado, Setting a Hearing on Such Annexation, and Exercising Land Use Control, Mahan Manor Annexation, Located at 2855 UnawEEP Avenue, Including a Portion of UnawEEP Avenue Right-of-Way

®Action: *Adopt Resolution No. 139-06*

**b. Setting a Hearing on Proposed Ordinance**

Proposed Ordinance Annexing Territory to the City of Grand Junction, Colorado, Mahan Manor Annexation, Approximately 10.34 acres, Located at 2855 UnawEEP Avenue, Including a Portion of UnawEEP Avenue Right of Way

Action: *Introduction of Proposed Ordinance and Set a Hearing for December 20, 2006*

Staff presentation: Ronnie Edwards, Associate Planner

**6. Setting a Hearing for the Cal Frac Annexation, Located at 489 30 Road [File #ANX-2006-283] Attach 7**

Request to annex approximately 32.92 acres, located at 489 30 Road. The Cal Frac Annexation consists of three parcels.

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

Resolution No. 140-06 – A Resolution Referring a Petition to the City Council for the Annexation of Lands to the City of Grand Junction, Colorado, Setting a Hearing on Such Annexation, and Exercising Land Use Control, Cal Frac Annexation, Located at 489 30 Road

®Action: *Adopt Resolution No. 140-06*

**b. Setting a Hearing on Proposed Ordinance**

Proposed Ordinance Annexing Territory to the City of Grand Junction, Colorado, Cal Frac Annexation, Approximately 32.92 acres, Located at 489 30 Road

Action: *Introduction of Proposed Ordinance and Set a Hearing for December 20, 2006*

Staff presentation: Adam Olsen, Associate Planner

7. **Subrecipient Contract with the Grand Junction Housing Authority for a Project within the City's 2006 Program Year Community Development Block Grant (CDGB) Program** [File #CDBG-2006-02(a)] **Attach 8**

The Subrecipient Contract formalizes the City's award of a total of \$178,630 to the Grand Junction Housing Authority (GJHA) as allocated from the City's 2006 CDBG Program for the purchase of the property located at 2150 Grand Avenue for an affordable housing project.

*Action: Authorize the Interim City Manager to Sign the Subrecipient Contract with the Grand Junction Housing Authority for the City's 2006 Program Year, Community Development Block Grant Program*

Staff presentation: David Thornton, Principal Planner

8. **Setting a Hearing for the Second Supplemental Appropriation Ordinance for 2006** **Attach 9**

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

Proposed Ordinance Making Supplemental Appropriations to the 2006 Budget of the City of Grand Junction

*Action: Introduction of a Proposed Ordinance and Set a Hearing for December 6, 2006*

Staff presentation: Ron Lappi, Administrative Services and Finance Director

9. **Setting a Hearing for the 2007 Budget Appropriation Ordinance** **Attach 10**

The total appropriation for all thirty-seven accounting funds budgeted by the City of Grand Junction (including the Ridges Metropolitan District, Grand Junction West Water and Sanitation District, and the Downtown Development Authority) is \$186,318,214. Although not a planned expenditure, and additional \$2,175,000 is appropriated as an emergency reserve in the General Fund pursuant to Article X, Section 20 of the Colorado Constitution.

Proposed Ordinance Appropriating Certain Sums of Money to Defray the Necessary Expenses and Liabilities of the City of Grand Junction, Colorado, the Downtown Development Authority, the Ridges Metropolitan District, and the Grand Junction West Water and Sanitation District; for the Year Beginning January 1, 2007 and Ending December 31, 2007



Action: Introduction of a Proposed Ordinance and Set a Hearing for December 6, 2006

Staff presentation: Ron Lappi, Administrative Services and Finance Director

10. **Conveyance of a Nonexclusive Easement Across City Property at B <sup>3</sup>/<sub>4</sub> Road to Qwest Corporation** **Attach 11**

Qwest Corporation, a Colorado Corporation (Qwest) is requesting an easement across City property adjacent to B <sup>3</sup>/<sub>4</sub> Road to memorialize an existing utility use and accommodate a small additional use at this site.

Resolution No. 141-06 – A Resolution Concerning the Granting of a Non-Exclusive Telecommunication Easement to Qwest Corporation, a Colorado Corporation

®Action: Adopt Resolution No. 141-06

Staff presentation: Mark Relph, Public Works and Utilities Director

11. **Setting a Hearing to Create Alley Improvement District 2007** **Attach 12**

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

- East/West Alley from 3rd to 4th, between Ouray Avenue and Chipeta Avenue
- North/South & East/West Alleys from 7th to 8th, between Teller Avenue and Belford Avenue
- East/West Alley from 10th to 11th, between Ouray Avenue and Chipeta Avenue
- East/West Alley from 12th to 14th, between Elm Avenue and Texas Avenue
- North/South Alley from 17th to 18th, between Ouray Avenue and Chipeta Avenue
- North/South Alley from 22nd to 23rd, between Ouray Avenue and Gunnison Avenue

Resolution No. 142-06 – A Resolution Declaring the Intention of the City Council of the City of Grand Junction, Colorado, to Create Within Said City Alley Improvement District No. ST-07 and Authorizing the City Engineer to Prepare Details and Specifications for the Same

®Action: Adopt Resolution No. 142-06 and Set a Public Hearing for January 3, 2007

Staff presentation: Mark Relph, Public Works and Utilities Director

12. **Setting a Hearing to Create The Bluffs Sanitary Sewer Improvement District No. SS-48-06** **Attach 13**

A majority of the owners of real estate located in the area east of 23 Road and between Terry Court and the Colorado River have submitted a petition requesting

an improvement district be created to provide sanitary sewer service to their respective properties, utilizing the septic sewer elimination program to help reduce assessments levied against the affected properties. The proposed resolution is the required first step in the formal process of creating the proposed improvement district.

Resolution No. 143-06 – A Resolution Declaring the Intention of the City Council of the City of Grand Junction, Colorado, to Create Wintin Said City, The Bluffs Sanitary Sewer Improvement District No. SS-48-06, Authorizing the City Utility Engineer to Prepare Details and Specifications for the Same

®Action: *Adopt Resolution No. 143-06 and Set a Public Hearing for December 20, 2006*

Staff presentation: Mark Relph, Public Works and Utilities Director

13. **Holiday Parking in the Downtown** **Attach 14**

The Downtown Partnership has requested that parking downtown be free again this year to best position downtown for the holiday shopping season. Although some would prefer to enforce the free, signed spaces along Main Street due to limited cooperation in keeping these spaces open for visitors, the simple policy of “Free Parking” downtown that was implemented the last several years remains the easiest and simplest to enforce while limiting confusion on the part of the public. City Staff recommends Free Holiday Parking in all of downtown with the exception of government offices, illegal parking areas, and shared-revenue lots.

Action: *Vacate Parking Enforcement at all Designated Downtown Metered Spaces and Signed Parking from Thanksgiving to New Year’s Day, Except Loading, No Parking, Handicapped, and Unbagged Meter Spaces Surrounding Government Offices*

Staff presentation: Harold Stalf, Executive Director, DDA  
David Varley, Interim City Manager

14. **Appointment of Hearing Officer** **Attach 15**

The Liquor and Beer Licensing Authority’s Hearing Officer, Phil Coebergh, is retiring and pursuant to Chapter 4 of the City Code of Ordinances, and §§12-46-103(4) and 12-47-103(17) C.R.S., the City Council is authorized to appoint hearing officers for the City Liquor and Beer Licensing Authority.

Resolution No. 144-06 – A Resolution to Appoint a Hearing Officer for Liquor and Beer Licensing

®Action: *Adopt Resolution No. 144-06*

Staff presentation: John Shaver, City Attorney

\*\*\*15. **Recreation Center Feasibility Study** **Attach 24**

A request from the citizens volunteer committee headed by Sally Schaefer, for \$20,000 from the City to help fund the citizens survey and focus group polling to help determine the sentiment of the community, and gauge support for recreation centers in our community.

*Action: Recommend Approval of a Transfer of \$20,000 from General Fund Contingency to the City Council Contributions Account and Approve Payment to Hilltop Community Resources to Help Fund this Work; Which has Already Begun*

Staff presentation: David Varley, Interim City Manager

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

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

\*\*\*16. **Grand Valley Housing Partnership's Request to Use the City's Affordable Housing Initiative Funds** **Attach 25**

The Grand Valley Housing Partnership met on October 16th and came up with a proposal prioritizing local affordable housing projects. The Partnership is now asking for City Council to help fund this proposal with the City's affordable housing funds currently earmarked for affordable housing activities.

*Action: Designate the Following Funds from the City's Affordable Housing Initiative in the City's General Fund to be Allocated to the Following Four Projects: Ultrionics (GJHA), \$181,370; Elm Properties (GJHA) \$119,707; Crawford Commons (HRWC) \$81,000; and Revolving Loan Fund \$100,000 for a Total of \$482,077*

Staff presentation: David Varley, Interim City Manager

17. **Public Hearing – Authorizing the Issuance of the Downtown Development Authority Tax Increment Revenue Bonds** **Attach 16**

The proposed ordinance authorizes the issuance of one bond in the amount of \$2,180,500 with it maturing December 22, 2007.

Ordinance No. 3985 - An Ordinance Authorizing the Issuance of the City of Grand Junction, Colorado, Downtown Development Authority Tax Increment Revenue Bonds, Series 2006, Pledging the Tax Increment Revenues of the City for the Payment of the Bonds; Providing for the Payment and Discharge of the City's Outstanding Tax Increment Revenue Bonds

®Action: *Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3985*

Staff presentation: Ron Lappi, Administrative Services and Finance Director

18. **Contract for Rood Avenue Parking Structure Site** **Attach 17**

Bids have been received for construction of the Rood Avenue Parking Structure (Bid Package 2). The Scope of Bid Package 2 is for landscaping and irrigation; parking control equipment and software; mechanical equipment; fire extinguishers and Fire Department stand pipes; electric lighting; elevator; steel railing and cabling; interior and exterior signage; striping; prorated contractor contingency; and prorated contractor's overhead and fee.

Action: *Authorize the City Manager to Execute a Construction Contract for Bid Package 2 with Shaw Construction in the Amount of \$2,189,925 and a Guaranteed Maximum Price for the Total Project of \$7,555,997*

Staff presentation: Mark Relph, Public Works and Utilities Director

19. **Public Hearing – Thunderbrook Estates Annexation and Zoning, Located at 3061 and 3061 ½ F ½ Road** [File #GPA-2006-238] **Attach 18**

Request to annex and zone 15.60 acres, located at 3061 and 3061 ½ F ½ Road, to RSF-4 (Residential Single Family, 4 units per acre). The Thunderbrook Estates Annexation consists of two parcels.

**a. Accepting Petition**

Resolution No. 145-06 – A Resolution Accepting a Petition for Annexation, Making Certain Findings, Determining that Property Known as the Thunderbrook Estates Annexation, Located at 3061 and 3061 ½ F ½ Road is Eligible for Annexation

**b. Annexation Ordinance**

Ordinance No. 3986 – An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Thunderbrook Estates Annexation, Approximately 15.60 Acres, Located at 3061 and 3061 ½ F ½ Road

**c. Zoning Ordinance**

Ordinance No. 3987 – An Ordinance Zoning the Thunderbrook Estates Annexation to RSF-4, (Residential Single Family, 4 Units Per Acre), Located at 3061 and 3061 ½ F ½ Road

®Action: *Adopt Resolution No. 145-06 and Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance Nos. 3986 and 3987*

Staff presentation: Kathy Portner, Assistant Director of Community Development

20. **Public Hearing – Zoning the Fox Annexation, Located at 3000 F Road** [File #GPA-2006-087] **Attach 19**

Request to zone the Fox Annexation from County RSF-4 (Residential Single Family, 4 units per acre) to RO (Residential Office).

Ordinance No. 3988 – An Ordinance Zoning the Fox Annexation to RO (Residential Office), Located at 3000 F Road

®Action: *Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3988*

Staff presentation: Kathy Portner, Assistant Director of Community Development

21. **Public Hearing – Kelley Annexation, Located at 849 21 ½ Road** [File #GPA-2006-249] **Attach 20**

Request to annex 14.27 acres, located at 849 21 ½ Road. The Kelley Annexation consists of 1 parcel and is a 2 part serial annexation.

**a. Accepting Petition**

Resolution No. 146-06 – A Resolution Accepting a Petition for Annexation, Making Certain Findings, Determining that Property Known as the Kelley Annexation, Located at 849 21 ½ Road Including a Portion of 21 ½ Road Right-of-Way, is Eligible for Annexation

**b. Setting Hearing on Proposed Ordinances**

Ordinance No. 3989 – An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Kelley Annexation #1, Approximately 0.24 Acres, Located within the 21 ½ Road Right-of-Way

Ordinance No. 3990 – An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Kelley Annexation #2, Approximately 1.46 Acres, Located within the 21 ½ Road Right-of-Way

Ordinance No. 3991 – An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Kelley Annexation #3, Approximately 12.57 Acres, Located at 849 21 ½ Road Including a Portion of the 21 ½ Road Right-of-Way

®Action: Adopt Resolution No. 146-06 and Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance Nos. 3989, 3990, and 3991

Staff presentation: Kathy Portner, Assistant Director of Community Development

22. **Infill and Redevelopment Request for Killian, Guthro and Jenson Building, 202 North Seventh Street** **Attach 21**

This is a revision to the original request for Infill and Redevelopment Program incentives. The request as approved by the City Council in August of 2005 allocated \$75,000 to the under grounding of power lines in the alley. The request is to reallocate that amount to one of three areas: geothermal heating system, limestone exterior, and/or cost of permits.

Action: Consider the Proposed Request

Staff presentation: Sheryl Trent, Interim Community Development Director

23. **Public Hearing – Adoption of the Master Plan 2005 for St. Mary’s Hospital and Re-Establishing Standards for the (PD), Planned Development Zone District, Located at 2635 North 7<sup>th</sup> Street** [File #ICM-2006-005] **Attach 22**

Request to adopt Master Plan 2005 for St. Mary’s Hospital and Re-Establish Standards for the PD, Planned Development Zone District for property owned by St. Mary’s Hospital.

Ordinance No. 3992 – An Ordinance Approving the Master Plan 2005 for St. Mary’s Hospital and Environs Located at 2635 North 7<sup>th</sup> Street and Re-Establishing Standards for the Planned Development (PD) Zone District for Property Owned by St. Mary’s Hospital

®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 3992

Staff presentation: Scott D. Peterson, Senior Planner

24. **Conduct a Hearing on an Appeal of a Planning Commission Decision to Deny the Pinnacle Ridge Preliminary Plan, Located Northeast of Monument Road and Mariposa Drive** [File #PP-2005-226] **Continued from Nov. 1, 2006** **Attach 23**

Appeal of the Planning Commission denial of the Pinnacle Ridge Preliminary Plan, consisting of 72 single family lots on 45.33 acres in a RSF-2 (Residential Single Family, 2 du/ac) zone district.

Action: Continue Consideration to December 6, 2006

Staff presentation: Kathy Portner, Assistant Director of Community Development

25. **Non-Scheduled Citizens & Visitors**

26. **Other Business**

27. **Adjournment**

**EXHIBIT B**

State PROOF OF PUBLICATION

NOTICE OF PUBLIC HEARING  
 NOTICE IS HEREBY GIVEN  
 THAT:  
 The City Council of the City of Grand Junction, Colorado, at its regular convened meeting on November 1, 2006, passed on first reading the following entitled proposed ordinance:  
 Authorizing the Issuance of the City of Grand Junction, Colorado, Downtown Development Authority Tax Increment Revenue Bonds, Series 2006, Pledging the Tax Increment Revenues of the City for the Payment of the Bonds; Providing for the Payment and Discharge of the City's Outstanding Tax Increment Revenue Bonds and authorized the publication in pamphlet form.  
 NOTICE IS FURTHER GIVEN THAT the public hearing will be held November 15, 2006 at 7:00 p.m. in the City Auditorium, 250 North 5th Street, at which time public comments will be taken and considered before the final adoption of the proposed ordinance.  
 Copies of the proposed ordinance are available for public inspection in the City Clerk's Office, 250 North 5th Street, City Hall, at any time Monday through Friday between the hours of 7:30 a.m. and 5:30 p.m.  
 Published: November 3, 2006.

STATE OF COLORADO  
County of (Mesa)

Terry Laubhan

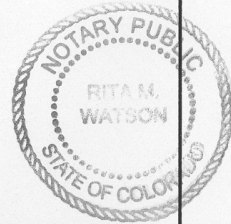
Being duly sworn, says that I am Legal Secretary of The Daily Sentinel, a daily newspaper, published and duly printed in Grand Junction, Colorado in said County and State; that said newspaper has a general circulation in said County and has been continuously and uninterruptedly published therein, during a period of at least fifty-two consecutive weeks next prior to the first publication of the annexed notice; that said newspaper is a newspaper within the meaning of the act of the general Assembly of the State of Colorado, entitled "An Act to regulate the printing of legal notices and advertisements," and amendments thereto; that the notice of which the annexed is a printed copy taken from said newspaper, was published in said newspaper, and in the regular and entire issue of every number thereof once a week for 1 successive week; that said notice was so published in said newspaper proper and not in any supplement thereof, and that first publication of said notice as aforesaid, was on the 3rd day of November, 2006, and the last, on the 3rd day of November, 2006.

*[Handwritten Signature]*

Subscribed and sworn to before me, this 3rd day of November, 2006

Rita M. Watson

My Commission Expires November 8, 2009





State PROOF OF PUBLICATION

NOTICE OF ADOPTION OF ORDINANCE NO. 3985 AN ORDINANCE OF THE CITY OF GRAND JUNCTION TO BE PUBLISHED IN PAMPHLET FORM

NOTICE IS HEREBY GIVEN: That on the 15th Day of November, 2006, at 7:30 p.m. in the City Hall Auditorium, 250 N. 5th Street, Grand Junction, Colorado, the City Council of the City of Grand Junction held a public hearing, after proper notice, to consider the final passage of an Ordinance, the title of which is: AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF GRAND JUNCTION, COLORADO, DOWNTOWN DEVELOPMENT AUTHORITY TAX INCREMENT REVENUE BONDS, SERIES 2006; PLEDGING THE TAX INCREMENT REVENUES OF THE CITY FOR THE PAYMENT OF THE BONDS; PROVIDING FOR THE PAYMENT AND DISCHARGE OF THE CITY'S OUTSTANDING TAX INCREMENT REVENUE BONDS. BE IT ORDAINED BY THE CITY

Copies of the adopted Ordinance are available for public inspection in the office of the City Clerk, 250 N. 5th Street, Grand Junction, CO between 7:30 a.m. and 5:30 p.m., Monday through Friday.

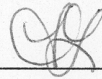
By: Stephanie Tuin  
Stephanie Tuin, MMC  
City Clerk  
Published: November 17, 2006.

STATE OF COLORADO

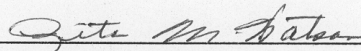
County of (Mesa)

Terry Laubhan

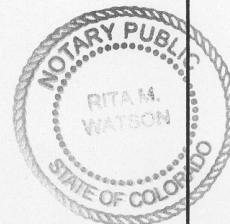
Being duly sworn, says that I am Legal Secretary of The Daily Sentinel, a daily newspaper, published and duly printed in Grand Junction, Colorado in said County and State; that said newspaper has a general circulation in said County and has been continuously and uninterruptedly published therein, during a period of at least fifty-two consecutive weeks next prior to the first publication of the annexed notice; that said newspaper is a newspaper within the meaning of the act of the general Assembly of the State of Colorado, entitled "An Act to regulate the printing of legal notices and advertisements," and amendments thereto; that the notice of which the annexed is a printed copy taken from said newspaper, was published in said newspaper, and in the regular and entire issue of every number thereof once a week for 1 successive week; that said notice was so published in said newspaper proper and not in any supplement thereof, and that first publication of said notice as aforesaid, was on the 17th day of November, 2006, and the last, on the 17th day of November, 2006.



Subscribed and sworn to before me, this 17th day of November, 2006



My Commission Expires November 8, 2009



## RESOLUTION

WHEREAS, the Grand Junction Downtown Development Authority (the “Authority”), is a duly organized and existing Downtown Development Authority under the Constitution and laws of the State of Colorado; and

WHEREAS, the Board of Directors of the Authority (the “Authority Board”) has consulted with the City Council (the “Council”) of the City of Grand Junction, Colorado (the “City”), and has requested that the City issue its “City of Grand Junction, Colorado, Downtown Development Authority Tax Increment Revenue Bonds, Series 2006” (the “Bonds”) in the aggregate principal amount of \$2,180,500 to be used, with other legally available moneys, for a variety of projects in the Plan of Development Area (as defined in the City’s ordinance authorizing the issuance of the Bonds, duly passed on first reading on November 1, 2006 (the “Bond Ordinance”)), such projects being described in the attached Exhibit A and being referred to herein as the “Project”; and

WHEREAS, there has been filed with the Secretary to the Authority Board a copy of the Bond Ordinance, which is attached hereto as Exhibit B; and

WHEREAS, no member or employee of the Authority Board has any specific financial interest in the Project except to the extent that any such conflict of interest has been disclosed to the Authority Board and such person has refrained from taking official action thereon pursuant to Section 31-25-819, Colorado Revised Statutes.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GRAND JUNCTION DOWNTOWN DEVELOPMENT AUTHORITY, IN THE CITY OF GRAND JUNCTION AND STATE OF COLORADO:

Section 32. Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Council, the Authority Board, or the officers of the Authority or the City, directed toward the Project and toward the sale and issuance of the Bonds for such purpose, be, and the same hereby is, ratified, approved and confirmed.

Section 33. Approval of City Ordinance and Bonds. The Bond Ordinance and the issuance of the Bonds by the City on the terms and conditions provided in the Bond Ordinance, including specifically, but without limitation, the interest rates on the Bonds, are hereby approved.

Section 34. Authorization to Officers. The Chairman of the Authority Board and the officers of the Authority and the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of the Bond Ordinance and this Resolution.

Section 35. Tax Covenant. The Authority hereby covenants for the benefit of the City and the owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds of the Bonds, any other funds of the Authority or the facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income

tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”), as in effect on the date of delivery of the Bonds, (ii) would cause the interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the Authority in fulfilling the above covenant under the Code and Colorado law have been met.

Section 36. Use of Proceeds. The Authority Board hereby finds and determines that the Project, as described on Exhibit A, constitutes its expected uses of Bond proceeds available for the Project. The Authority Board also acknowledges that use of Bond proceeds in ways prohibited by the Code can cause the Bonds to be taxable, retroactive to the date of issuance of the Bonds. Accordingly, the Authority Board hereby agrees that it will consult with Bond Counsel if it materially changes the use of Bond proceeds from that described in Exhibit A or otherwise contemplates use of Bond proceeds which could potentially cause the Bonds to become taxable.

Section 37. Direction to Officers. The officers and agents of the Authority shall be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution and the Bond Ordinance, including without limiting the generality of the foregoing, the execution of any certificate or certificates relating to the Bonds.

Section 38. Approval of Defeasance. The Authority Board hereby approves the defeasance of the City’s outstanding Downtown Development Authority Tax Increment Revenue Bonds, Series 2003, as described in the Bond Ordinance.

Section 39. Contract with Bond Owners. After any of the Bonds have been issued, this Resolution shall constitute a contract between the Authority and the owners of the Bonds and shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, satisfied and discharged.

Section 40. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 41. Repealer. All acts and resolutions in conflict with this Resolution are hereby rescinded, annulled and repealed. This repealer shall not be construed to revive any act or resolution, or part thereof, heretofore repealed.

ADOPTED AND APPROVED this November 9, 2006.

/s/ Scott Howard  
Chairperson

(SEAL)

Attest:

/s/ Diane Keliher  
Secretary

EXHIBIT A

(DESCRIPTION OF THE PROJECT)

<u>Project</u>	<u>Estimate of Cost</u>
New Downtown Parking Garage	\$1,180,500
Streetscape Project: 7th Street (Grand to Pitkin)	1,000,000
<i>Total</i>	\$2,180,500

EXHIBIT B

(Attach City's Bond Ordinance)

STATE OF COLORADO )  
 )  
 COUNTY OF MESA ) SS.  
 )  
 GRAND JUNCTION DOWNTOWN )  
 DEVELOPMENT AUTHORITY )

I, Diane Keliher, the duly chosen, qualified and acting Secretary to the Grand Junction Downtown Development Authority (the "Authority"), Mesa County, Colorado, do hereby certify that:

1. The foregoing pages are a true, perfect and complete copy of a resolution (the "Resolution") passed and adopted by the Board of Directors (the "Board") of the Authority at a regular meeting of the Board held at the regular meeting place of the Board on Thursday, November 9, 2006.

2. The Resolution was duly moved and seconded, and the Resolution was finally adopted at the meeting of November 9, 2006, by an affirmative vote of a majority of the members of the Board as follows:

<b><u>Boardmember</u></b>	<b><u>Voting "AYE"</u></b>	<b><u>Voting "Nay"</u></b>	<b><u>Absent</u></b>	<b><u>Abstaining</u></b>
Karen Vogel	X			
Scott Howard	X			
Harry Griff	X			
Jim Doody	X			
Steve Thoms	X			
Bill Keith	X			
Peggy Page	X			
Doug Simons	X			
Bill Wagner	X			

3. The members of the Board were present at such meeting and voted on the passage of such Resolution as set forth above.

4. The Resolution was approved and authenticated by the signature of the Chairperson of the Board, sealed with the Authority seal, attested by the Secretary and recorded in the minutes of the Board.

5. There are no bylaws, rules or regulations of the Board which might prohibit the adoption of said Resolution.

6. Notice of the meeting of November 9, 2006 in the form attached hereto as Exhibit I was posted not less than 24 hours prior to the meeting in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this November 9, 2006.

(SEAL)

/s/ Diane Keliher  
 Secretary to the Board of Directors of the Grand Junction  
 Downtown Development Authority

EXHIBIT I

(Attach Copy of Meeting Notice)



**AGENDA**  
**Downtown Development Authority**  
**BOARD MEETING**

**Thursday, November 9th, 2006 – 7:30 a. m.**  
**Whitman School – 248 S. Fourth Street**

**7:30 a.m. Call to Order**

**7:35 a.m. Approval of Minutes**

**7:40 a.m. TIF Legislation Update – Bruce Hill**

**7:50 a.m. Directors Report – Harold Staf**

- **AOTC Trumbo Sculpture – Harold/John**
- **Annual Retreat**

**8:00 a.m. TIF Bonding Resolution**

- **Resolution for DDA Tax Increment Revenue Bonds, Series 2006**

**8:10 a.m. I-70B Design Program – Trent Prall**

**8:30 a.m. Executive Session – Real Estate**

For the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations and/or instructing negotiators under 24-6-402(4)(e) C.R.S. for the review of real estate appraisal(s) and

To discuss the purchase or acquisition of real property or other property interests under 24-6-402(4)(a) C.R.S.

**9:00 a.m. Adjournment**

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**Upcoming Meetings:**

**DDA – December 14th, 7:30 a.m. @ Whitman**

**Downtown Meeting – November 14<sup>th</sup>, 6 p.m. @ Whitman**

**DTA – November 15th, 7:30 a.m. @ Whitman**

**DDA – Annual Retreat/ TBD, 5:30 p.m. @ Dos Hombres**

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