

ORDINANCE NO. 4378

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF GRAND JUNCTION, COLORADO, DOWNTOWN DEVELOPMENT AUTHORITY TAX INCREMENT REVENUE BONDS, SERIES 2009; PLEDGING THE TAX INCREMENT REVENUES OF THE CITY FOR THE PAYMENT OF THE BONDS; AND RELATED MATTERS.

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

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: Title 31, Article 25, Part 8, C.R.S., 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 17 and 18 hereof and having a lien on the Pledged Revenues on a parity with the lien of the 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 or Additional 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 or Additional 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 or Additional Bond becomes due.

Beneficial Owner: any Person for which a Participant acquires an interest in the Bonds.

Bond Account: the account by that name created by Section 15 hereof.

Bonds: the City's Downtown Development Authority Tax Increment Revenue Bonds, Series 2009, in the aggregate principal amount approved by either the President or the Finance Director in the Sale Certificate, issued pursuant to this Ordinance.

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.

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.

Continuing Disclosure Certificate: the Continuing Disclosure Certificate executed by the City on the date of delivery of the Bonds.

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

County: Mesa County, Colorado.

C.R.S.: Colorado Revised Statutes.

Depository: any securities depository that the City may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

DTC: The Depository Trust Company, New York, New York, and its successors and assigns.

Election: the special election held by the City within the boundaries of the Authority on April 3, 2007.

Federal Securities: only 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 (or an ownership interest in any of the foregoing).

Fiscal Year: the twelve months commencing on the first day of January of any calendar year and ending on the thirty-first day of December of such calendar year or such other

twelve-month period as may from time to time be designated by the Council as the Fiscal Year of the City.

Finance Director: the Financial Operations Manager of the City.

Letter of Representations: the blanket issuer letter of representations from the City to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

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

Official Statement: the final Official Statement in substantially the form of the Preliminary Official Statement.

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 20 hereof.

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

Participant or Participants: any broker-dealer, bank, or other financial institution from time to time for which DTC or another Depository holds the Bonds.

Paying Agent: Zions First National Bank, or its 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 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.

Preliminary Official Statement: the Preliminary Official Statement with respect to the Bonds.

President: the President of the Council.

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 constructed or acquired with the proceeds of the Bonds, which improvements shall be described in the Plan.

Purchase Contract: the Bond Purchase Agreement between the City and the Underwriter.

Rebate Account: the account by that name created by Section 15 hereof.

Registrar: Zions First National Bank, or its successors and assigns.

Registrar Agreement: the Registrar and Paying Agent Agreement between the City and the Registrar.

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

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

Sale Certificate: the certificate executed by the President or Finance Director dated on or before the date of delivery of the Bonds, setting forth: (i) the aggregate principal amount of the Bonds; (ii) the rate or rates of interest on the Bonds; (iii) the first interest payment date for the Bonds; (iv) the final maturity date of the Bonds; (v) the existence and amount of any

capitalized interest or reserve fund; (vi) the conditions on which and the prices at which the Bonds may be called for optional redemption; (vii) the existence of any Term Bonds subject to mandatory sinking fund redemption; (viii) the amount or amounts of principal maturing on each date for the Bonds; (ix) the price at which the Bonds will be sold; and (x) any other finding or determination authorized under the Supplemental Act, all subject to the parameters and restrictions contained in Section 6 hereof.

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.

Supplemental Act: the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S.

Tax Code: the Internal Revenue Code of 1986, as amended to the date of delivery of the 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 County Assessor and the 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.

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

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

Underwriter: D.A. Davidson & Co., Denver, Colorado.

Section 2. Recitals.

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

B. The Authority was organized by the City pursuant to the Act as a “downtown development authority” for the purposes of the Act, including the improvement of the Plan of Development Area. The Authority proposed and submitted the Plan to the Council, and the Plan was approved by the 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 the Election, a majority of the qualified electors of the Authority voting thereon authorized the City to issue bonds or other indebtedness not to exceed \$18,000,000, with a repayment cost of \$20,000,000, for the purpose of financing certain capital improvements 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 the maximum time permitted by law.

F. The ballot text submitted to the qualified electors of the Authority at the Election was as follows:

SHALL CITY OF GRAND JUNCTION DEBT BE INCREASED \$18,000,000 WITH A REPAYMENT COST OF \$20,000,000, WITHOUT RAISING ADDITIONAL TAXES, TO FINANCE STREETS, PARKS, PLAZAS, PARKING FACILITIES, PLAYGROUNDS, CAPITAL FACILITIES, PEDESTRIAN MALLS, RIGHTS-OF-WAY, STRUCTURES, WATERWAYS, BRIDGES, ACCESS ROUTES TO ANY OF THE FOREGOING, DESIGNED FOR USE BY THE PUBLIC GENERALLY OR USED BY ANY PUBLIC AGENCY WITH OR WITHOUT CHARGE; SUCH DEBT TO BE EVIDENCED BY BONDS, LOANS, ADVANCES OR INDEBTEDNESS PROVIDED THAT THE SPECIFIC TERMS OF THE DEBT, INCLUDING A PROVISION FOR EARLY REPAYMENT WITH OR WITHOUT A PREMIUM, AND THE PRICE AT WHICH IT WILL BE SOLD SHALL BE DETERMINED BY THE CITY AS NECESSARY AND PRUDENT; SHALL THE PLEDGE OF THE TAX INCREMENT FUND TO SUCH DEBT BE AUTHORIZED FOR A PERIOD NOT TO EXCEED THE MAXIMUM TIME PERMITTED BY LAW; AND IF THIS QUESTION IS APPROVED, THE AUTHORITY TO ISSUE DEBT PURSUANT TO BALLOT ISSUE 5T AT THE CITY'S NOVEMBER 2, 2004 ELECTION SHALL BE OF NO FURTHER EFFECT?

G. The City has not previously issued any of the debt authorized at the Election.

H. The Bonds issued for the Project shall be issued with terms such that they meet the requirements of the proposition submitted at the Election.

I. The City does not presently have any debt payable from a pledge of the Pledged Revenues, and the Pledged Revenues may now be pledged lawfully and irrevocably for the payment of the Bonds.

J. The City expects to receive an offer from the Underwriter for the purchase of the Bonds for the purpose of defraying in whole or in part the costs of the Project and the costs of issuing the Bonds.

K. The Council desires to cause the 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.

L. The Bonds shall be issued pursuant to the provisions of the Constitution and laws of the State, including the Act and the Supplemental Act, the Charter, the Election, this Ordinance, and all other laws thereunto enabling.

M. There is on file in the City offices the proposed forms of the following documents: (i) the Purchase Contract; (ii) the Registrar Agreement; (iii) the Letter of Representations; (iv) the Preliminary Official Statement; and (v) the Continuing Disclosure Certificate.

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

Section 4. Authorization of Project. The Project is hereby authorized at a cost not to exceed \$10,500,000 (excluding costs to be paid from sources other than the proceeds of the Bonds). The useful life of the Project is not less than 4 years.

Section 5. Authorization of Bonds; Delegation. In accordance with the Constitution and laws of the State, including the Act and the Supplemental Act, the Charter, the Election, and the provisions of this Ordinance, and for the purpose of defraying the costs of the Project, 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 2009" in the aggregate principal amount approved by the President or Finance Director in the Sale Certificate, subject to the



parameters and restrictions contained in this Ordinance, to be payable and collectible, both as to principal and interest, from the Pledged Revenues.

Section 6. Bond Details. The Bonds shall be sold at the price indicated in the Sale Certificate and shall be issued in fully registered form (i.e., registered as to payment of both principal and interest), initially registered in the name of Cede & Co. as nominee for DTC, as Depository for the Bonds. The Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual Bond may be issued for more than one maturity and interest rate); provided, however, that Term Bonds may be issued subject to annual sinking fund payments. The Bonds shall be dated as of their date of delivery. The Bonds shall be numbered in the manner determined by the Registrar.

2. The Bonds shall mature, bear interest from their date to maturity, and be sold, as provided in the Sale Certificate: provided that: (i) the aggregate principal amount of the Bonds shall not exceed \$10,500,000; (ii) the net effective interest rate on the Bonds shall not exceed 6.00%; (iii) the Bonds shall mature no later than December 15, 2012; (iv) the Bonds shall be subject to optional redemption, if at all, no later than December 15, 2012; (v) if applicable, the redemption price of the Bonds shall not exceed 100% of the principal amount so redeemed; (vi) the purchase price of the Bonds shall not be less than 99.0% of the original principal amount of the Bonds; (vii) the maximum annual repayment cost of the Bonds shall not exceed \$7,000,000; and (viii) the total repayment cost of the Bonds shall not exceed \$20,000,000.

Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable June 15 and December 15, commencing on the date specified in the Sale Certificate.

3. The principal of and premium, if any, on any Bond, shall be payable to the Registered Owner thereof as shown on the registration books kept by the Registrar upon maturity or prior redemption of the Bonds, upon presentation and surrender at the Principal Operations Office. If any Bond shall not be paid upon such presentation and surrender at maturity, it shall continue to draw interest at the rate borne by said Bond until the principal thereof is paid in full.

Payment of interest on any Bond shall be made to the Registered Owner thereof by check, draft or wire, sent by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to the Registered Owner thereof at his or her address as it last appears on the registration books kept by the Registrar on the Record 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 on the 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 such defaulted interest 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 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 books 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 Bond by such alternative means as may be mutually agreed to between the Registered Owner of such Bond and the Paying Agent (provided, however, that the City shall not be required to make funds available to the Paying Agent prior to the dates specified in the Registrar Agreement). All such payments shall be made in lawful money of the United States of America, without deduction for services of the Registrar or Paying Agent.

Section 7. Prior Redemption.

A. The Bonds, if any, designated in the Sale Certificate, will be subject to redemption prior to maturity at the option of the City.

B. The Term Bonds, if any, shall be subject to mandatory sinking fund redemption at the times and in the amounts set forth in the Sale Certificate, at a redemption price equal to 100% of the principal amount so redeemed plus accrued interest thereon to the date fixed for redemption. On or before the thirtieth day prior to each sinking fund payment date, the Registrar will proceed to call the Term Bonds (or any Term Bond or Bonds issued to replace such Term Bonds) for redemption from the sinking fund on

the next December 15, and give notice of such call without further instruction or notice from the District.

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

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

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

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

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

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

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

Notwithstanding the provisions of this section, any notice of optional redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be

canceled by written notice to the Owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Section 8. Lien on Pledged Revenues; Special Obligations. The Bonds constitute a pledge of, and an irrevocable first lien (but not an exclusive first lien) on all of the Pledged Revenues. The Bonds are equitably and ratably secured by a pledge of and lien on the Pledged Revenues. All of the 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 Bonds 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 the Bonds, except the designated special funds and accounts pledged therefor. The Bonds shall not constitute an indebtedness nor a debt within the meaning of the Charter or any State constitutional or statutory provision or limitation; nor shall they be considered or held to be general obligations of the City or the Authority.

The creation, perfection, enforcement, and priority of the Pledged Revenues to secure or pay the Bonds as provided herein shall be governed by Section 11-57-208 of the Supplemental Act and this Ordinance. The Pledged Revenues, as received by or otherwise credited to the City or the Authority, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act.

Section 9. Form of Bonds and Registration Panel. The Bonds and the registration panel shall be substantially as follows (provided that any portion of the Bond text may, with appropriate references, be printed on the back of the 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:

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(Form of Bond)

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

UNITED STATES OF AMERICA  
STATE OF COLORADO  
COUNTY OF MESA

CITY OF GRAND JUNCTION, COLORADO  
DOWNTOWN DEVELOPMENT AUTHORITY  
TAX INCREMENT REVENUE BOND  
SERIES 2009

R-\_\_\_\_\_ \$ \_\_\_\_\_  
INTEREST RATE      MATURITY DATE      DATED DATE      CUSIP  
\_\_\_\_\_ %

REGISTERED OWNER:      CEDE & CO.

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 15 and December 15 of each year, commencing on \_\_\_\_\_, 200\_\_, 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 City’s registrar and paying agent (the “Registrar” or the “Paying Agent”), initially Zions First National Bank, Denver,

Colorado, at its principal operations office located in 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 its 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 (the “Special Record Date”). 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 “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 registered owner of any Bond and the Paying Agent, as provided in the ordinance of the City authorizing the issuance of the 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. Terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Ordinance. The Bonds are [not] subject to redemption prior to maturity.

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 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 Bonds are authorized for the purpose of defraying wholly or in part the costs of the Project, for the payment of costs and expenses incidental thereto and to the issuance of the

Bonds, all under the authority of and in full conformity with the Constitution and laws of the State of Colorado, including the Act, the Election, 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 Bonds are also issued pursuant to the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, of the Colorado Revised Statutes, as amended (the "Supplemental Act"). Pursuant to Section 11-57-210 of the Supplemental Act, this recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

The Bonds do not constitute a debt or an indebtedness of the City or the Grand Junction Downtown Development Authority (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 certain 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 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 Bonds constitute a pledge of, and an irrevocable first lien on all of the Pledged Revenues. The 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 into the Bond Account, 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 Bonds and any Additional Bonds. 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 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 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 Bonds; and by the acceptance of this bond the registered 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 BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS.

This bond must be registered in the name of the registered owner as to both principal and interest on the registration records kept by the Registrar at its 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.

(Manual or Facsimile Signature)  
President of the City Council

(MANUAL OR FACSIMILE SEAL)

Attest:

(Manual or Facsimile Signature)  
City Clerk

(End of Form of Bond)

(Form of Registrar's Certificate of Authentication)

This is one of the 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: \_\_\_\_\_

ZIONS FIRST NATIONAL BANK  
as Registrar

By: \_\_\_\_\_  
Authorized Officer

(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)

(Form of Prepayment Panel)

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

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

(End of Form of Prepayment Panel)

Section 10. Negotiability. Subject to the registration provisions hereof, the 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 Bonds shall be paid, and the Bonds shall be transferable, free from and without regard to any equities between the City and the original or any intermediate owner of any Bonds or any setoffs or cross-claims.

Section 11. Execution. The Bonds shall be executed in the name and on behalf of the City by the signature of the President, 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 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 and the City Clerk may be by manual or facsimile signature. The 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 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 and the City Clerk shall, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures any facsimiles thereof appearing on the Bonds. At the time of the execution of the signature certificate, the President 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 Bonds.

No 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 Bonds issued hereunder. By authenticating any of the Bonds initially

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

Section 11. Registration and Transfer.

A. Records for the registration and transfer of the Bonds shall be kept by the Registrar, which is hereby appointed by the City as registrar (i.e., transfer agent) for the Bonds. Upon the surrender for transfer of any 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 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 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 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 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 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 Bond to the extent of the sum or sums so paid.

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

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

E. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer or replacement as provided herein, such 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. Book Entry.

A. Notwithstanding any contrary provision of this Ordinance, the Bonds initially shall be evidenced by one Bond for each maturity and interest rate in denominations equal to the aggregate principal amount of the Bonds of such maturity and interest rate. Such initially delivered Bonds shall be registered in the name of “Cede & Co.” as nominee for DTC, the Depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

(1) to any successor of DTC or its nominee, which successor must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), C.R.S. and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended; or

(2) upon the resignation of DTC or a successor or new Depository under clause (1) or this clause (2) of this subsection A, or a determination by the Council that DTC or such successor or a new Depository is no longer able to carry out its functions, and the designation by the Council of another Depository



acceptable to the Council and to the Depository then holding the Bonds, which new Depository must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), C.R.S. and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of DTC or such successor new Depository; or

(3) upon the resignation of DTC or a successor or new Depository under clause (1) above or the designation of a new Depository pursuant to clause (2) above, or a determination of the Council that DTC or such successor or Depository is no longer able to carry out its functions, and the failure by the Council, after reasonable investigation, to locate another Depository under clause (2) to carry out such Depository functions.

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

C. The Council and the Registrar shall be entitled to treat the Registered Owner of any Bond as the absolute owner thereof for all purposes

hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the Council and the Registrar shall have no responsibility for transmitting payments or notices to the Beneficial Owners of the Bonds held by DTC or any successor or new Depository named pursuant to subsection A hereof.

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

E. Upon any partial redemption of any of the Bonds, Cede & Co. (or its successor) in its discretion may request the City to issue and authenticate a new Bond or shall make an appropriate notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Registrar prior to payment. The records of the Paying Agent shall govern in the case of any dispute as to the amount of any partial prepayment made to Cede & Co. (or its successor).

Section 14. Delivery of Bonds and Disposition of Proceeds. When the Bonds have been duly executed by appropriate City officers and authenticated by the Registrar, the City shall cause the Bonds to be delivered to the Underwriter on receipt of the agreed purchase price. The Bonds shall be delivered in such denominations as the Underwriter shall direct (but subject to the provisions of Section 13 hereof), and the Registrar shall initially register the Bonds in the name of "Cede & Co.," as nominee of DTC.

The proceeds of the Bonds shall be deposited promptly by the City and shall be accounted for in the following manner and are hereby pledged therefor, but the Underwriter of the 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:

All proceeds of the Bonds shall be credited to the “City of Grand Junction, Colorado, Downtown Development Authority 2009 Tax Increment Project Fund,” hereby created, to be used for the Project and for the costs of issuance of the Bonds. After payment of all costs of the Project and costs of issuance of the Bonds, or after adequate provision therefor is made, any unexpended balance of the proceeds of the Bonds shall be deposited in the Bond Account and applied to the payment of the principal of and interest on the Bonds.

Section 15. 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 2009 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.

A similar bond account shall be created for any series of Additional Bonds and payments into such account shall be made contemporaneously with and have the same priority as payments into the Bond Account created hereunder.

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 15E 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. Reserve Account. Next, there shall be deposited into any reserve account created in connection with the issuance of any Additional Bonds such amounts as are required to be deposited, if any, by the ordinance authorizing such Additional Bonds. A reserve account may be created for any series of Additional Bonds and payments into such account shall be made contemporaneously with payments made into the reserve funds for any other series of Additional Bonds outstanding.

E. 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 2009 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.

F. 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 Bonds (including the repayment of any City loan to replenish the Bond Account), hereafter authorized to be issued, including reasonable reserves therefor.

G. 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 16. General Administration of Accounts. The accounts designated in Sections 14 and 15 hereof and the Tax Increment Fund shall be administered as follows subject to the limitations stated in Section 19K hereof:

A. Budget and Appropriation of Accounts. The sums provided to make the payments specified in Section 15 hereof are hereby appropriated for said purposes, and said amounts for each year shall be included in the annual budget and the appropriation ordinance or measures to be adopted or passed by the Council in each year respectively while any of the Bonds, either as to principal or interest, are Outstanding and unpaid.

B. Places and Times of Deposits. Each of the special accounts created in Sections 14 and 15 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 Sections 14 and 15 hereof 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 16C and Section 16E 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 19K 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 16C 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 16C hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

Section 17. 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 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 18 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 15 hereof.

C. Historic Revenues Test. The Tax Increments constituting Pledged Revenues, as certified by the Finance Director, 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 17 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 17 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 17C hereof and when adjusted in the manner provided in Section 17D hereof, the specified and required written certification by the Finance Director that such annual revenues are sufficient to pay such amounts as provided in Section 17C 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 Bonds.

Section 18. Refunding Obligations.

A. Generally. If at any time after the 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 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 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 17 hereof.

Section 19. Protective Covenants. The City hereby additionally covenants and agrees with each and every Owner of the Bonds that:

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

B. Payment of Bonds. The City will promptly pay the principal of and interest on every Bond issued hereunder and secured hereby on the dates and in the manner specified herein and in said 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 Bonds unless the required consent is obtained, all as provided in Section 28 hereof.

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 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 Bonds shall exist, have happened and have been performed, and the 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 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 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 Underwriter.

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 15 hereof and their application to the respective accounts herein designated.

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

K. Tax Covenants. The City covenants for the benefit of the Registered Owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the City or any 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 Tax Code, (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, 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 City in fulfilling the above covenant under the Tax Code and Colorado law have been met.

L. Bank Qualification. The City hereby determines that neither the City nor any entity subordinate thereto reasonably anticipates issuing more than \$30,000,000 face amount of tax-exempt governmental bonds (excluding private activity bonds) or any other similar obligations during calendar year 2009, which obligations are taken into account in determining if the City can designate the Bonds as qualified tax-exempt obligations as provided in the following sentence. For the purpose of Section 265(b)(3)(B) of the Code, the City hereby designates the Bonds as qualified tax-exempt obligations.

M. City's Existence. The City will maintain its corporate identity and existence so long as any of the 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 Bonds.

N. Continuing Disclosure. The City covenants for the benefit of the Owners, including Beneficial Owners, that it will comply with the Continuing Disclosure Certificate which will be executed by City officers in connection with the delivery of the Bonds. Any Owner, or, so long as the Bonds are registered in the name of the Depository, any Beneficial Owner, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligation under this subsection; provided that the City shall incur no pecuniary liability for failure to comply with this subsection.

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

P. 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.

Q. 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.

R. Fund Balance Covenant. The City covenants to maintain a fund balance in the Tax Increments Fund equal to \$920,602 until December 15, 2010, and to maintain a fund balance in the Tax Increments Fund in each fiscal year thereafter for so long as the Bonds are outstanding equal to the greater of (1) the difference between the Tax Increments received for the prior fiscal year and 110% of the principal of and interest on the Bonds due in such fiscal year or (2) \$680,000. Moneys in the Tax Increments Fund subject to this covenant shall be available to pay principal and interest on the Bonds at all times and shall be transferred to the Bond Account and used to pay debt service on the Bonds in the event such funds are needed for such purpose.

Section 20. Defeasance. If, when the Bonds shall be paid in accordance with their terms (or payment of the Bonds has been provided for in the manner set forth in the following paragraph), then this Ordinance and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

Payment of any Outstanding Bond shall prior to the maturity or redemption date thereof be deemed to have been provided for within the meaning and with the effect expressed in this Section if (a) in case said Bond is to be redeemed on any date prior to its maturity, the City shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give on a date in accordance with the provisions of Section 7 hereof notice of redemption of such Bond on said redemption date, such notice to be given in accordance with the provisions of Section 7 hereof, (b) there shall have been deposited with the Paying Agent or a commercial bank exercising trust powers either moneys in an amount which shall be sufficient, or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by



the Paying Agent or other commercial bank exercising trust powers at the same time, shall be sufficient to pay when due the principal of, premium if any, and interest due and to become due on said Bond on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bond is not by its terms subject to redemption within the next sixty days, the City shall have given the Paying Agent in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 7 hereof, a notice to the Owner of such Bond that the deposit required by (b) above has been made with the Paying Agent or other commercial bank exercising trust powers and that payment of said Bond has been provided for in accordance with this section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, premium if any, and interest of said Bond. Neither such securities nor moneys deposited with the Paying Agent or other commercial bank exercising trust powers pursuant to this section or principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium if any, and interest of said Bond; provided any cash received from such principal or interest payments on such Federal Securities deposited with the Paying Agent or other commercial bank exercising trust powers, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in (b) of this paragraph maturing at times and in amounts sufficient to pay when due the principal of, premium if any, and interest to become due on said Bond on or prior to such redemption date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Ordinance, except for the purpose of any payment from such moneys or securities deposited with the Paying Agent or other commercial bank exercising trust powers.

The release of the obligations of the City under this section shall be without prejudice to the right of the Paying Agent to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements incurred on or about the administration of and performance of its powers and duties hereunder.

Upon compliance with the foregoing provisions of this section with respect to all Bonds Outstanding, this Ordinance may be discharged in accordance with the provisions of this

section but the liability of the City in respect of the Bonds shall continue; provided that the Owners thereof shall thereafter be entitled to payment only out of the moneys or Federal Securities deposited with the Paying Agent or other commercial bank exercising trust powers as provided in this Section.

Section 21. Further Authority. 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 Bonds and the execution of such certificates as may be required by the Underwriter, including, but not necessarily limited to, the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 22. 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 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 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 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 Bonds then Outstanding.

Section 23. Remedies. Upon the happening and continuance of any event of default as provided in Section 22 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 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 24. Duties Upon Default. Upon the happening of any of the events of default as provided in Section 22 hereof, 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 25. Approvals, Authorizations, and Amendments. The forms of the Purchase Contract, the Registrar Agreement, the Letter of Representations, and the Continuing Disclosure Certificate are hereby approved. The City shall enter into and perform its obligations under the Purchase Contract, the Registrar Agreement, the Letter of Representations, and the Continuing Disclosure Certificate in the forms of each of such documents as on file with the City, with only such changes therein as are not inconsistent herewith. The President is hereby authorized and directed to execute the Registrar Agreement, the Letter of Representations, and the Continuing Disclosure Certificate. The City Clerk is hereby authorized to attest and to affix the seal of the City, as necessary, to this Ordinance, the Purchase Contract, the Registrar Agreement, and the Continuing Disclosure Certificate, and the President and the City Clerk are

further authorized to execute, attest, seal and authenticate such other documents, instruments or certificates as are deemed necessary or desirable by bond counsel in order to issue and secure the Bonds. Such documents are to be executed in substantially the forms hereinabove approved, provided that such documents may be completed, corrected or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Ordinance. Copies of all of the documents shall be delivered, filed and recorded as provided therein.

Either the President or the Finance Director has the authority to accept the proposal of the Underwriter to purchase the Bonds and to execute the Purchase Contract and the Sale Certificate in connection therewith, as well as the authority to make determinations in relation to the Bonds contained in the Sale Certificate subject to the parameters and restrictions contained in Section 6 hereof.

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

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

Section 26. Replacement of Registrar or Paying Agent. The Registrar or Paying Agent may resign at any time on 30 days' prior written notice to the City. The City may remove said Registrar or Paying Agent upon 30 days' prior written notice to the Registrar and/or Paying Agent, as the case may be. No resignation or removal of the Registrar or Paying Agent shall take effect until a successor has been appointed; provided, that if no successor is appointed by the end of 90 days, the Paying Agent or Registrar may petition a court of competent jurisdiction to appoint a successor. If the Registrar or Paying Agent initially appointed shall resign, or if the City shall remove said Registrar or Paying Agent, the City may, upon notice

mailed to each Registered Owner of any Bond, at the address last shown on the registration books, appoint a successor Registrar or Paying Agent, or both. Every such successor Registrar or Paying Agent shall be a bank or trust company located in and in good standing in the United States and having a shareowners' equity (e.g., capital stock, surplus and undivided profits), however denominated, not less than \$10,000,000 or shall be an officer of the City. 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.

Any company or national banking association into which the Registrar or Paying Agent may be merged or converted or with which it may be consolidated or any company or national banking association resulting from any merger, conversion or consolidation to which it shall be a party or any company or national banking association to which the Registrar or Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible, shall be the successor to such Registrar or Paying Agent without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 27. Official Statement. The distribution and use of the Preliminary Official Statement is in all respects hereby ratified, approved and confirmed. The Underwriter is authorized to prepare or cause to be prepared, and the President is authorized and directed to approve, on behalf of the City, a final Official Statement for use in connection with the offering and sale of the Bonds. The execution of a final Official Statement by the President shall be conclusively deemed to evidence the approval of the form and contents thereof by the City.

Section 28. Amendment. After any of the Bonds have been issued, this Ordinance shall constitute a contract between the City and the Owners of the Bonds and shall be and remain irrevocable until the 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 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 Bonds;

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

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

(4) to qualify this Ordinance under the Trust Indenture Act of 1939, 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 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 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 Bonds adversely affected thereby, no such ordinance shall have the effect of permitting:

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

(2) A reduction in the principal amount of any 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 Bonds required for consent to such amendatory or supplemental ordinance; or

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

Section 29. No Recourse Against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Council, or any officer or agent of the City acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal of or interest on the Bonds. Such recourse shall not be available either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any Person purchasing or selling such Bond specifically waives any such recourse.

Section 30. 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 31. Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 32. Repealer. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 33. Ordinance Irrepealable. After any of the Bonds herein authorized are issued, this Ordinance shall constitute a contract between the City and the Owners of the

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

Section 34. Disposition of Ordinance. This Ordinance, as adopted by the Council, shall be numbered and recorded by the City Clerk in the official records of the City. The adoption and publication shall be authenticated by the signatures of the President and City Clerk, and by the certificate of publication.

Section 35. Effective Date. This Ordinance shall be in full force and effect 30 days after publication following final passage.

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INTRODUCED, PASSED ON FIRST READING, APPROVED AND ORDERED PUBLISHED IN PAMPHLET FORM this 3rd day of August, 2009.

CITY OF GRAND JUNCTION, COLORADO

[ S E A L ]

/s/ Bruce Hill

President of the City Council

Attest:

/s/ Stephanie Tuin

City Clerk

INTRODUCED, PASSED ON SECOND READING, APPROVED AND ORDERED PUBLISHED IN PAMPHLET FORM this 17<sup>th</sup> day of August, 2009.

CITY OF GRAND JUNCTION, COLORADO

[ S E A L ]

/s/ Bruce Hill

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 August 3, 2009 and was duly adopted and ordered published in full by the Council at a regular meeting thereof held on August 17, 2009, 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 August 3, 2009, by an affirmative vote of a majority of the members of the Council as follows:

Councilmember	Voting “Aye”	Voting “Nay”	Absent	Abstaining
Bruce Hill	X			
Teresa Coons	X			
Bonnie Beckstein	X			
Tom Kenyon	X			
Gregg Palmer			X	
Bill Pitts	X			
Linda Romer Todd	X			

3. The Ordinance was duly moved and seconded and the Ordinance was finally passed on second reading at the meeting of August 17,

2009, by an affirmative vote of a majority of the members of the Council as follows:

Councilmember	Voting "Aye"	Voting "Nay"	Absent	Abstaining
Bruce Hill	X			
Teresa Coons	X			
Bonnie Beckstein	X			
Tom Kenyon	X			
Gregg Palmer	X			
Bill Pitts	X			
Linda Romer Todd	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 August 3, 2009 and August 17, 2009 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 August 5, 2009 and August 19, 2009 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 \_\_\_\_ day of August, 2009.

\_\_\_\_\_  
City Clerk and Clerk to the Council

[SEAL]

EXHIBIT A

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



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

**MONDAY, AUGUST 3, 2009, 7:00 P.M.**

**Call to Order**

Pledge of Allegiance

Invocation—Fruita United Methodist Church Trustee

[The invocation is offered for the use and benefit of the City Council. The invocation is intended to solemnize the occasion of the meeting, express confidence in the future and encourage recognition of what is worthy of appreciation in our society. During the invocation you may choose to sit, stand or leave the room.]

**Appointments**

To the Riverfront Commission

Ratify the Appointment of a Downtown Development Authority Representative to the Historic Preservation Board

**Certificates of Appointment**

To the Downtown Development Authority/Downtown Grand Junction Business Improvement District

To the Urban Trails Committee

*Revised April 22, 2011*

*\*\*\* Indicates New, Moved, or Changed Item*

*® Requires Roll Call Vote*

**REVISED**

## **Citizen Comments**

### **Presentations**

Annual Update from the Business Incubator – Chris Reddin, Executive Director **Attach 1**

Update from Mesa Developmental Services – Jeff Nichols, Executive Director **Attach 2**

### **Council Comments**

#### **\*\*\* CONSENT CALENDAR \*\*\***

1. **Minutes of Previous Meetings** **Attach 3**  
*Action: Approve the Minutes of the July 13, 2009 and the July 15, 2009 Regular Meetings*
  
2. **Setting a Hearing on the Issuance of Downtown Development Authority (DDA) Tax Increment Revenue Bonds and Pledge the Tax Increment Revenues of the City for Payment of the Bonds – Series 2009** **Attach 4**

On April 3, 2007, a majority of qualified voters within the boundaries of the Grand Junction, Colorado Downtown Development Authority (DDA) authorized the City to issue bonds or other indebtedness for the purpose of financing certain capital improvements within the DDA's "Plan of Development" area. The voters also authorized the pledge of tax increment funds for payment of the bonds. The City Council is authorized by the City Charter to authorize the issuance of such tax increment revenue bonds and now desires to cause the bonds to be issued, to authorize and direct the application of the proceeds and to provide security for the payment.

Proposed Ordinance Authorizing the Issuance of the City of Grand Junction, Colorado, Downtown Development Authority Tax Increment Revenue Bonds, Series 2009; Pledging the Tax Increment Revenues of the City for the Payment of the Bonds; and Related Matters

*Action: Introduction of Proposed Ordinance and Set a Public Hearing for August 17, 2009*

Staff presentation: John Shaver, City Attorney

3. **Setting a Hearing on Cross Referencing Old Municipal Code Numbering with New Numbering System to Allow the Transition Between the Two Systems** **Attach 5**

Staff has been working on reorganizing and renumbering of the Municipal Code and other reference documents such as the Zoning and Development Code, the various manuals (SSID, TEDS, and SWMM), the various neighborhood and corridor plans and other important previously approved documents in order to have them on the internet for easy public access. At this point, the work is close enough to completion that a transition ordinance is in order to allow any reference to the current Code (soon to be Old Code) to apply to the newly numbered Code (soon to be New Code).

Proposed Ordinance Providing for a Cross Reference Between the 1994 Code of Ordinances Old Numbering System and the New Numbering System

*Action: Introduction of Proposed Ordinance and Set a Public Hearing for August 17, 2009*

Staff presentation: John Shaver, City Attorney  
Stephanie Tuin, City Clerk

4. **Setting a Hearing on Fiesta Guadalajara Rezone, Preliminary Development Plan, and Vacation of Right-of-Way, Located at 710 and 748 North Avenue and 705 and 727 Glenwood Avenue** [File # RZ-2009-037] **Attach 6**

Requests for: 1) zone property located at 710 and 748 North Avenue and 705 and 727 Glenwood Avenue to PD (Planned Development) with default zones of C-1(Light Commercial) and R-8 (Residential 8 du/ac), 2) approval of a Preliminary Development Plan, and 3) vacation of the west 7.5' of the north/south alley located east of North 7<sup>th</sup> Street and south of Glenwood Avenue.

Proposed Ordinance Rezoning Property, Known as the Fiesta Guadalajara Rezone, Located at 710 and 748 North Avenue and 705 and 727 Glenwood Avenue to a PD (Planned Development) Zone

Proposed Ordinance Vacating a Portion of North-South Alley Right-of-Way Located West of North 7<sup>th</sup> Street and South of Glenwood Avenue

*Action: Introduction of Proposed Ordinances and Set a Public Hearing for August 17, 2009*

Staff presentation: Senta L. Costello, Senior Planner

5. **Setting a Hearing on the Redlands Vista Planned Development Rezone and Amendment to the Preliminary Development Plan, Located at West Ridges Blvd., School Ridge Rd., and Ridge Circle Drive** [File #PFP-2009-092] **Attach 7**

Amend the existing Ordinance for Redlands Vista in the Ridges Preliminary Development Plan (PDP) to increase the density from 3.8 dwelling units per acre, to 6.7 dwelling units per acre. The redesign includes private streets.

Proposed Ordinance Rezoning and Amending the Preliminary Development Plan for Redlands Vista Planned Development, Lot 1 and Lot 2, Block Twenty-One, the Ridges Filing No. Four, Located at West Ridges Blvd., School Ridge Road, and Ridge Circle Drive

*Action: Introduction of Proposed Ordinance and Set a Public Hearing for August 17, 2009*

Staff presentation: Lori V. Bowers, Senior Planner

6. **Setting a Hearing on Zoning the Fults Annexation, Located at 3066 F Road** [File #ANX-2009-130] **Attach 8**

A request to zone the 3.72 acre Fults Annexation, consisting of one parcel located at 3066 F Road, to an R-4 (Residential – 4 units per acre) zone district.

Proposed Ordinance Zoning the Fults Annexation to R-4 (Residential – 4 Units Per Acre), Located at 3066 F Road

*Action: Introduction of Proposed Ordinance and Set a Public Hearing for August 17, 2009*

Staff presentation: Lori V. Bowers, Senior Planner

7. **Setting a Hearing on Rezoning Property Located Between Ute Avenue and Pitkin Avenue, Between S. 5<sup>th</sup> and S. 6<sup>th</sup> Street and Between Ute Avenue and Pitkin Avenue from S. 7<sup>th</sup> Street, East 230 Feet** [File #RZ-2008-342] **Attach 9**

A request to rezone Block 139, consisting of 2.52 acres more or less, and a portion of Block 137, consisting of 1.45 acres more or less, from C-1 (Light Commercial) to B-2 (Downtown Business) for the purposes of facilitating a new fire station and police building on City owned property.

Proposed Ordinance Rezoning Parcels of Land from C-1 (Light Commercial) To B-2 (Downtown Business), Located Between Ute and Pitkin Avenues from S. 5<sup>th</sup> Street to S. 6<sup>th</sup> Street and from S. 7<sup>th</sup> Street East Approximately 230 Feet

Action: Introduction of Proposed Ordinance and Set a Public Hearing for August 17, 2009

Staff presentation: Brian Rusche, Senior Planner

8. **Setting a Hearing on Vacating the North/South Alley Between Ute Avenue and Pitkin Avenue, East of South 7<sup>th</sup> Street and a Portion of the East/West Alley Between South 7<sup>th</sup> and South 8<sup>th</sup> Street South of Ute Avenue** [File #VR-2008-342] **Attach 10**

Request to vacate alleys within Block 137 of the Original Town Site of Grand Junction for the purposes of consolidating City-owned parcels and the construction of a new Fire Station.

Proposed Ordinance Vacating Alley Rights-of-Way Located Between Ute and Pitkin Avenues, East of South 7<sup>th</sup> Street

Action: Introduction of Proposed Ordinance and Set a Public Hearing for August 17, 2009

Staff presentation: Brian Rusche, Senior Planner

9. **Purchase of Self Contained Breathing Apparatus (SCBA) for the Fire Department** **Attach 11**

Purchase of 64 Self Contained Breathing Apparatus (SCBA) units with accessories for the Grand Junction Fire Department to replace existing units. All the existing SCBA units are non-compliant with the National Fire Protection Association (NFPA) standards and need to be replaced at one time to ensure training and emergency safety procedures are met.

Action: Authorize the City Purchasing Division to Award a Contract to Municipal Emergency Services (MES) of Englewood, CO in the Amount of \$395,875.25 for the Purchase of 64 Scott NXG7 SCBA Units

Staff presentation: Ken Watkins, Fire Chief  
Bill Roth, Deputy Fire Chief

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



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

10. **Public Hearing— Reigan Growth Plan Amendment, Located at 2202, 2202 ½ and 2204 H Road** [File #GPA-2009-069] **Attach 12**

The petitioners, Robert and Marie Reigan, Jerry D. Patterson and TEK Leasing LLC, request adoption of a resolution to amend the Growth Plan Future Land Use Map from Mixed Use to Commercial/Industrial for three properties that total 12 +/- acres located at 2202, 2202 ½ and 2204 H Road. The Planning Commission recommended denial of the proposed Growth Plan Amendment request at their May 26, 2009 meeting.

Resolution No. 62-09—A Resolution Amending the Growth Plan of the City of Grand Junction to Designate Approximately 12 +/- Acres Located at 2202, 2202 ½ and 2204 H Road Known as the Reigan Growth Plan Amendment from Mixed Use to Commercial/Industrial

®Action: *Adopt Resolution No. 62-09*

Staff presentation: Scott D. Peterson, Senior Planner

11. **Public Hearing—Peiffer Annexation and Zoning, Located at 2454 Bella Pago Drive** [File #ANX-2009-113] **Attach 13**

A request to annex and zone 2.10 acres, located at 2454 Bella Pago Drive to R-2 (Residential 2 du/acre). The Peiffer Annexation consists of one (1) parcel and includes a portion of Bella Pago Drive.

**a. Accepting Petition**

Resolution No. 63-09—A Resolution Accepting a Petition for Annexation, Making Certain Findings, Determining that Property Known as the Peiffer Annexation, Located at 2454 Bella Pago Drive and Including a Portion of the Bella Pago Drive Right-of-Way is Eligible for Annexation

**b. Annexation Ordinance**

Ordinance No. 4364—An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Peiffer Annexation, Approximately 2.10 Acres, Located at 2454 Bella Pago Drive and Including a Portion of the Bella Pago Drive Right-of-Way

**c. Zoning Ordinance**

Ordinance No. 4367—An Ordinance Zoning the Peiffer Annexation to R-2 (Residential 2 Du/Acre) Zone District, Located at 2454 Bella Pago

*®Action: Adopt Resolution No. 63-09 and Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance Nos. 4364 and 4367*

Staff presentation: Judith Rice, Associate Planner

12. **Public Hearing—Monument Village Commercial Center Annexation and Zoning, Located at 2152 Broadway** [File #ANX-2009-116] **Attach 14**

Request to annex and zone 5.77 acres, located at 2152 Broadway, to B-1 (Neighborhood Business). The Monument Village Commercial Center Annexation consists of one parcel, and 1.54 acres of right-of-way.

**a. Accepting Petition**

Resolution No. 64-09—A Resolution Accepting a Petition for Annexation, Making Certain Findings, Determining that Property Known as the Monument Village Commercial Center Annexation, Located at 2152 Broadway and Includes Portions of Right-of-Way for Monument Village Drive and Rio Hondo Road and all of Monument Lane is Eligible for Annexation

**b. Annexation Ordinance**

Ordinance No. 4368—An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Monument Village Commercial Center Annexation, Approximately 5.77 Acres, Located at 2152 Broadway and Includes Portions of Right-of-Way for Monument Village Drive and Rio Hondo Road and all of Monument Lane

**c. Zoning Ordinance**

Ordinance No. 4369—An Ordinance Zoning the Monument Village Commercial Center Annexation to B-1 Neighborhood Business, Located at 2152 Broadway

*®Action: Adopt Resolution No. 64-09 and Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance Nos. 4368 and 4369*

Staff presentation: Lori V. Bowers, Senior Planner

13. **Public Hearing—Clarifying Ordinance No. 4188 in Regard to Section 36-17 of the Municipal Code and Ordinance No. 4234 Regarding the Inclusion of the Usage of Golf Carts in the 2003 Model Traffic Code for Colorado** **Attach 15**

The Municipal Code was amended with Ordinance No. 4188 to include a parking violation for stopping, standing or parking in whole or in part on a planting strip in Section 36-17(a). The City's intent was for subsections (b), (c) and (d) to remain unaltered and in full force and effect. Similarly, the 2003 Model Traffic Code was amended with Ordinance No. 4234 to include usage of golf carts on public roads. See Section 36-2. The City's intent was for sections 705, 1102, 1409, 1416, 1417, 1418 and 1503 as amended by Ordinance No. 4110 to remain in full force and effect. As clarified, these sections will promote statewide uniformity in traffic regulation.

Ordinance No. 4370—An Ordinance Clarifying Ordinance No. 4188 Regarding the Municipal Code and Ordinance No. 4234 Regarding the 2003 Model Traffic Code of Colorado as Adopted by the City of Grand Junction

*®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 4370*

Staff presentation: John Shaver, City Attorney

14. **Negotiate Somerville Ranch and Anderson Ranch Lease** **Attach 16**

The Somerville and Anderson ranches comprise approximately 12,000 acres of deeded land within the Whitewater and North Fork of Kannah Creek basins. The ranches are a critical component of the City of Grand Junction's drinking water system. The ranch lands provide source water protection and the water allocated to the ranches are used for irrigation to maintain City owned water rights for future municipal use. The Utilities Department solicited interested parties in March 2009 to submit proposals on leasing the properties. The Department received eleven proposals from area ranchers, farmers, and the Colorado Division of Wildlife. Utilities Staff conducted in-depth personal interviews with eight of eleven presenters and selected three proposals for final consideration and completed on-site visits of their current properties.

*Action: Authorize Staff to Negotiate with Howard and Janie Van Winkle for a Ten-Year Lease on the Anderson and Somerville Ranches. The Draft Lease will Come before City Council at a Later Date*

Staff presentation: Greg Trainor, Director, Utilities and Street Systems  
Rick Brinkman, Water Services Manager

15. **Downtown Uplift Recommendations**

**Attach 17**

The DDA will present their final recommendation for the Downtown Uplift renovation of Main Street, including concept, scope, and timeline.

*Action: Approval of Design Concept for the Project as Recommended by the DDA and Authorization of City Manager and Staff to Proceed with Development of Cost Projections/Allocations and Timelines for Project*

Presenter Name: Heidi Hoffman Ham, DDA Executive Director

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

17. **Other Business**

18. **Adjournment**

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



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

**MONDAY, AUGUST 17, 2009, 7:00 P.M.**

**Call to Order**

Pledge of Allegiance  
Moment of Silence

**Proclamation**

Proclaiming August 31, 2009 as "Total Force Recognition Day" in the City of Grand Junction

**Certificates of Appointment**

To the Urban Trails Committee

To the Riverfront Commission

**Citizen Comments**

**Council Comments**

*Revised April 22, 2011*

*\*\*\* Indicates New, Moved, or Changed Item*

*® Requires Roll Call Vote*

**REVISED**

\*\*\* CONSENT CALENDAR \*\*\*

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

Action: Approve the Minutes of the August 3, 2009 Regular Meeting

2. **Vacation of Utility Easement, Located at 2421 Hidden Valley Drive** [File # VE-2009-134] **Attach 2**

Request approval to vacate a 15 foot wide utility easement located at 2421 Hidden Valley Drive. The applicants would like to use the property and the easement is not needed.

Resolution No. 62-09—A Resolution Vacating a Utility Easement at 2421 Hidden Valley Drive

®Action: Adopt Resolution No. 62-09

Staff presentation: Judith Rice, Associate Planner

3. **Revocable Permit to Mesa State College for a Buried Conduit Line Across Blichmann Avenue** [File # RVP-2009-160] **Attach 3**

Request for a Revocable Permit to allow a utility conduit to cross beneath Blichmann Avenue between 2508 Blichmann Avenue and 2510 Foresight Circle.

Resolution No. 65-09—A Resolution Concerning the Issuance of a Revocable Permit to Mesa State College

®Action: Adopt Resolution No. 65-09

Staff presentation: Judith Rice, Associate Planner

4. **Setting a Hearing on the RQ Annexation, Located at 3131 D Road** [File # ANX-2009-144] **Attach 4**

Request to annex 20.02 acres, located at 3131 D Road. The RQ Annexation consists of one parcel.

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

Resolution No. 66-09—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, RQ Annexation, Located at 3131 D Road

®Action: *Adopt Resolution No. 66-09*

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

Proposed Ordinance Annexing Territory to the City of Grand Junction, Colorado, RQ Annexation, Approximately 20.02 Acres, Located at 3131 D Road

Action: *Introduction of a Proposed Ordinance and Set a Hearing for October 5, 2009*

Staff presentation: Judith Rice, Associate Planner

5. **Setting a Hearing on Zoning the Maverik Annexation, Located at 2948 F Road and 603 29 1/2 Road** [File #ANX-2009-023] **Attach 5**

Request to zone the 2.28 acre Maverik Annexation, located at 2948 F Road and 603 29 ½ Road, to C-1 (Light Commercial) and R-4 (Residential 4 du/ac).

Proposed Ordinance Zoning the Maverik Annexation to C-1 (Light Commercial) and R-4 (Residential 4 Du/Ac), Located at 2948 F Road and 603 29 ½ Road

Action: *Introduction of a Proposed Ordinance and Set a Hearing for August 31, 2009*

Staff presentation: Senta L. Costello, Senior Planner

6. **Setting a Hearing on the Strategic Downtown Master Plan, Overlay Zone, 7<sup>th</sup> Street Historic District PD Zone** [File #PLN-2009-179] **Attach 6**

The Strategic Downtown Master Plan was developed through a public process involving a steering committee of interested downtown merchants, property owners, and policy makers during 2007-2008. Recognizing that a strong downtown core supports the economic and community development of an entire region, the goal of the plan was to quantify current conditions, identify opportunities, and recommend specific actions for the decision-makers of the Downtown Partnership and the City of Grand Junction. The primary

implementation strategy is through an overlay zone and amending the 7<sup>th</sup> Street Historic District Planned Development zoning ordinance.

Proposed Ordinance Amending the Zoning and Development Code to add Section 7.7 Strategic Downtown Master Plan Zoning Overlay Design Standards and Guidelines

Proposed Ordinance Amending Ordinance No. 2211 by Adoption of the 7<sup>th</sup> Street Residential Historic District Zoning Overlay Design Standards and Guidelines, Amending the Zoning and Development Code to Add Section 7.7

*Action: Introduction of Proposed Ordinances and Set a Hearing for September 14, 2009*

Staff presentation: Heidi Hoffman Ham, DDA Executive Director  
Kathy Portner, Neighborhood Services Manager

7. **Petition for Exclusion from the Downtown Grand Junction Business Improvement District from Arvan Jeffry Leany for Property Located at 337 S. 1<sup>st</sup> Street** **Attach 7**

The Downtown Grand Junction Business Improvement District was formed on August 17, 2005. The ballot question regarding a Special Assessment for said District was approved on November 1, 2005. The City Council then held a hearing on the assessments on December 7, 2005 and there were no objections voiced at the hearing. On August 4, 2009, Mr. Arvan J. Leany filed a letter and the required deposit to initiate consideration of the exclusion of his property from the Downtown Grand Junction Business Improvement District at 337 S. 1<sup>st</sup> Street (Pufferbelly Restaurant).

*Action: Refer to the DGJBID for a Hearing and a Recommendation*

Staff presentation: John Shaver, City Attorney  
Stephanie Tuin, City Clerk

8. **Airport Improvement Program Stimulus Grant for General Aviation Ramp Reconstruction Project at Grand Junction Regional Airport** **Attach 8**

AIP-41 is a \$666,809.00 Stimulus Grant for additional funding of the General Aviation Ramp Reconstruction Project at the east end of the ramp. Total funding for this project with this grant is \$9,980,170.00. The airport is expecting one more grant of approximately \$1,111,000.00 to complete the funding of this project. The Supplement Co-sponsorship Agreement is required by the FAA as part of the grant acceptance by the City.



*Action: Authorize the Mayor and City Attorney to Sign the Original FAA AIP-41 Grant Documents for General Aviation Ramp Reconstruction at the Grand Junction Regional Airport, and Authorize the City Manager to Sign the Supplemental Co-sponsorship Agreement for AIP-41*

Staff presentation: Rex A. Tippetts, Director of Aviation

9. **Purchase of a Baler for the Recycle Center** **Attach 9**

Purchase of an Auto-Tie Baler for Grand Junction Curbside Recycling Indefinitely (GJ CRI) to expand their operation per the terms of a State Grant. The current baler does not have sufficient capacity to handle more volume. An additional baler is needed to process recyclable materials, such as cardboard, newspaper, aluminum, steel cans, office paper, and plastics.

*Action: Authorize the Purchasing Division to Award a Contract to Action Compaction Equipment of Midvale, UT in the Amount of \$152,022 for the Purchase of an Automatic Baler for Curbside Recycling Indefinitely*

Staff presentation: Greg Trainor, Utilities and Street Systems Director  
Darren Starr, Solid Waste and Streets Manager

10. **Great Outdoors Colorado Grant Revised Resolution** **Attach 10**

In February of 2009, a Great Outdoors Colorado grant application was submitted for the Melrose Park redevelopment project. The grant was fully funded by the Great Outdoors Colorado Board; however, a new resolution reflecting the change in Mayors is required before the final agreement can be signed.

Resolution No. 67-09—A Resolution Supporting the Agreement Between the City of Grand Junction and the State Board of the Great Outdoors Colorado Trust Fund

*®Action: Adopt Resolution No. 67-09*

Staff presentation: Rob Schoeber, Parks and Recreation Director

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

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

11. **Public Hearing—Approving the Service Plan for the Proposed 29 and D Metropolitan District Nos. 1 and 2 (Mesa State College Foundation), Including an Intergovernmental Agreement**  
**Attach 11**

Adoption of a resolution approving the Service Plan for the formation of two metropolitan districts, the 29 and D Metropolitan District No. 1 and No. 2 (“Districts”), for property owned by the Mesa State College Real Estate Foundation. The Districts are being created for financing public improvements on the land within the Districts.

Resolution No. 68-09—A Resolution Approving the Service Plan and Intergovernmental Agreement for the 29 and D Metropolitan District No. 1 and No. 2

*®Action: Adopt Resolution No. 68-09*

Staff presentation: John Shaver, City Attorney  
MaryAnn McGeady, McGeady, Sisneros, P.C.

12. **Public Hearing—Fulfs Annexation and Zoning, Located at 3066 F Road** [File #ANX-2009-130] **Attach 12**

Request to annex and zone 3.72 acres, located at 3066 F Road, to R-4 (Residential – 4 units per acre). The Fulfs Annexation consists of one parcel.

**a. Accepting Petition**

Resolution No. 69-09—A Resolution Accepting a Petition for Annexation, Making Certain Findings, Determining that Property Known as the Fulfs Annexation, Located at 3066 F Road is Eligible for Annexation

**b. Annexation Ordinance**

Ordinance No. 4371—An Ordinance Annexing Territory to the City of Grand Junction, Colorado, Fulfs Annexation, Approximately 3.72 Acres, Located at 3066 F Road

**c. Zoning Ordinance**

Ordinance No. 4372—An Ordinance Zoning the Fulfs Annexation to R-4 (Residential – 4 Units Per Acre), Located at 3066 F Road

*®Action: Adopt Resolution No. 69-09 and Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance Nos. 4371 and 4372*

Staff presentation: Lori V. Bowers, Senior Planner

13. **Public Hearing—The Redlands Vista Planned Development Rezone and Amendment to the Preliminary Development Plan, Located at West Ridges Blvd., School Ridge Rd., and Ridge Circle Drive** [File #PFP-2009-092]

**Attach 13**

1) Amend the existing Ordinance for Redlands Vista in the Ridges Preliminary Development Plan (PDP) to increase the density from 3.8 dwelling units per acre to 6.7 dwelling units per acre. The redesign includes private streets. 2) Approval of a resolution to vacate a pedestrian and equestrian easement. 3) Approval of a resolution to reduce the size of a utility, irrigation, and drainage easement.

Ordinance No. 4373—An Ordinance Rezoning and Amending the Preliminary Development Plan for Redlands Vista Planned Development, Lot 1 and Lot 2, Block Twenty-One, the Ridges Filing No. Four, Located at West Ridges Blvd., School Ridge Road, and Ridge Circle Drive

Resolution No. 70-09—A Resolution Vacating a 10-Foot Pedestrian and Equestrian Easement on Lots 1 and 2, the Ridges Filing No. Four, Located Along West Ridges Boulevard and School Ridge Road as Part of the Redlands Vista Planned Development

Resolution No. 71-09—A Resolution Vacating a Portion of a Utility, Irrigation, and Drainage Easement Located on Lot 1, the Ridges Filing No. Four Subdivision, Located Near West Ridges Boulevard as Part of the Redlands Vista Planned Development

*®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 4373 and Adopt Resolution Nos. 70-09 and 71-09*

Staff presentation: Lori V. Bowers, Senior Planner

14. **Public Hearing—Fiesta Guadalajara Rezone, Preliminary Development Plan, and Vacation of Right-of-Way, Located at 710 and 748 North Avenue and 705 and 727 Glenwood Avenue** [File # RZ-2009-037]

**Attach 14**

Requests for: 1) zone property located at 710 and 748 North Avenue and 705 and 727 Glenwood Avenue to PD (Planned Development) with default zones of C-1(Light Commercial) and R-8 (Residential 8 du/ac), 2) approval of a Preliminary Development Plan, and 3) vacation of the west 7.5' of the north/south alley located east of North 7<sup>th</sup> Street and south of Glenwood Avenue.

Ordinance No. 4374—An Ordinance Rezoning Property Known as the Fiesta Guadalajara Rezone, Located at 710 and 748 North Avenue and 705 and 727 Glenwood Avenue to a PD (Planned Development) Zone

Ordinance No. 4375—An Ordinance Vacating a Portion of North-South Alley Right-of-Way Located West of North 7<sup>th</sup> Street and South of Glenwood Avenue

*®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance Nos. 4374 and 4375*

Staff presentation: Senta L. Costello, Senior Planner

15. **Public Hearing—Rezoning Property Located Between Ute Avenue and Pitkin Avenue, Between S. 5<sup>th</sup> and S. 6<sup>th</sup> Street and Between Ute Avenue and Pitkin Avenue from S. 7<sup>th</sup> Street, East 230 Feet** [File #RZ-2008-342] **Attach 15**

A request to rezone property located between Ute Avenue and Pitkin Avenue between S. 5<sup>th</sup> and S. 6<sup>th</sup> Street and between Ute Avenue and Pitkin Avenue from S. 7<sup>th</sup> Street east 230 feet in Block 139, consisting of 2.52 acres more or less, and a portion of Block 137, consisting of 1.45 acres more or less, from C-1 (Light Commercial) to B-2 (Downtown Business) for the purposes of facilitating a new fire station and police building on City owned property.

Ordinance No. 4376—An Ordinance Rezoning Parcels of Land from C-1 (Light Commercial) To B-2 (Downtown Business), Located Between Ute and Pitkin Avenues from S. 5<sup>th</sup> Street to S. 6<sup>th</sup> Street and from S. 7<sup>th</sup> Street East Approximately 230 Feet

*®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 4376*

Staff presentation: Brian Rusche, Senior Planner

16. **Public Hearing—Vacating the North/South Alley Between Ute Avenue and Pitkin Avenue, East of South 7<sup>th</sup> Street and a Portion of the East/West Alley Between South 7<sup>th</sup> and South 8<sup>th</sup> Street South of Ute Avenue** [File #VR-2008-342] **Attach 16**

Request to vacate the North/South Alley between Ute Avenue and Pitkin Avenue, East of South 7<sup>th</sup> Street and a portion of the East/West alley between South 7<sup>th</sup> and South 8<sup>th</sup> Street South of Ute Avenue within Block 137 of the Original Town Site of Grand Junction for the purposes of consolidating City-owned parcels and the construction of a new Fire Station.

Ordinance No. 4377—An Ordinance Vacating Alley Rights-of-Way Located Between Ute and Pitkin Avenues, East of South 7<sup>th</sup> Street

*®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 4377*

Staff presentation: Brian Rusche, Senior Planner

17. **Public Hearing—The Issuance of Downtown Development Authority (DDA) Tax Increment Revenue Bonds and Pledge the Tax Increment Revenues of the City for Payment of the Bonds – Series 2009** **Attach 17**

On April 3, 2007, a majority of qualified voters within the boundaries of the Grand Junction, Colorado Downtown Development Authority (DDA) authorized the City to issue bonds or other indebtedness for the purpose of financing certain capital improvements within the DDA's "Plan of Development" area. The voters also authorized the pledge of tax increment funds for payment of the bonds. The City Council is authorized by the City Charter to authorize the issuance of such tax increment revenue bonds and now desires to cause the bonds to be issued, to authorize and direct the application of the proceeds and to provide security for the payment.

Ordinance No. 4378—An Ordinance Authorizing the Issuance of the City of Grand Junction, Colorado, Downtown Development Authority Tax Increment Revenue Bonds, Series 2009; Pledging the Tax Increment Revenues of the City for the Payment of the Bonds; and Related Matters

*®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 4378*

Staff presentation: John Shaver, City Attorney

18. **Public Hearing—Cross Referencing Old Municipal Code Numbering with New Numbering System to Allow the Transition Between the Two Systems** **Attach 18**

Staff has been working on reorganizing and renumbering of the Municipal Code and other reference documents such as the Zoning and Development Code, the various manuals (SSID, TEDS, and SWMM), the various neighborhood and corridor plans and other important previously approved documents in order to have them on the internet for easy public access. At this point, the work is close enough to completion that a transition ordinance is in order to allow any reference to the current Code (soon to be Old Code) to apply to the newly numbered Code (soon to be New Code).

Ordinance No. 4379—An Ordinance Providing for a Cross Reference Between the 1994 Code of Ordinances Old Numbering System and the New Numbering System

*®Action: Hold a Public Hearing and Consider Final Passage and Final Publication of Ordinance No. 4379*

Staff presentation: John Shaver, City Attorney  
Stephanie Tuin, City Clerk

19. **Non-Scheduled Citizens & Visitors**
20. **Other Business**
21. **Adjournment**

Note: Resolution Numbers were revised due to a numbering error.

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 August 3, 2009, passed on first reading the following entitled proposed ordinance:

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF GRAND JUNCTION, COLORADO, DOWNTOWN DEVELOPMENT AUTHORITY TAX INCREMENT REVENUE BONDS, SERIES 2009; PLEDGING THE TAX INCREMENT REVENUES OF THE CITY FOR THE PAYMENT OF THE BONDS; AND RELATED MATTERS and authorized the publication in pamphlet form.

NOTICE IS FURTHER GIVEN THAT the public hearing will be held August 17, 2009 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.

BY THE ORDER OF THE CITY COUNCIL

/s/ Stephanie Tuin  
City Clerk  
Published: August 5, 2009.

STATE OF COLORADO

County of (Mesa)

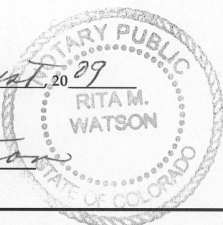
Terry Laubhan

Being duly sworn, says that I am Legal Secretary of The Daily Sentinel, a daily newspaper, published and duly printed in The County of Mesa, State of Colorado; 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 5th day of August, 2009, and the last, on the 5th day of August, 2009. Copies of each number of said paper in which said notice and/or list was published were delivered by carriers or transmitted by mail to each of the subscribers of said newspaper, The Daily Sentinel, according to the accustomed mode of business in this office.

*[Handwritten Signature]*

Subscribed and sworn to before me, this 6th day of August, 2009

Rita M. Watson  
My Commission Expires November 8, 2009



State PROOF OF PUBLICATION

NOTICE OF ADOPTION OF ORDINANCE NO. 4378  
 AN ORDINANCE OF THE CITY OF GRAND JUNCTION TO BE PUBLISHED IN PAMPHLET FORM  
 NOTICE IS HEREBY GIVEN: That on the 17th Day of August, 2009, at 7:00 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 2009; PLEDGING THE TAX INCREMENT REVENUES OF THE CITY FOR THE PAYMENT OF THE BONDS; AND RELATED MATTERS  
 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.  
 /s/ Stephanie Tuin, MMC  
 City Clerk  
 Published: August 19, 2009.

STATE OF COLORADO

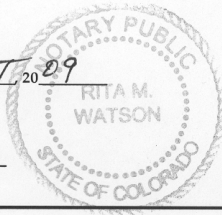
County of (Mesa)

Terry Laubhan

Being duly sworn, says that I am Legal Secretary of The Daily Sentinel, a daily newspaper, published and duly printed in The County of Mesa, State of Colorado; 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 19th day of August, 2009, and the last, on the 19th day of August, 2009. Copies of each number of said paper in which said notice and/or list was published were delivered by carriers or transmitted by mail to each of the subscribers of said newspaper, The Daily Sentinel, according to the accustomed mode of business in this office.

Subscribed and sworn to before me, this 30<sup>th</sup> day of August, 2009

Rita M Watson



My Commission Expires November 8, 2009