

Grand Junction, Colorado

June 1, 1983

The City Council of the City of Grand Junction, Colorado, convened in regular session the 1st day of June, 1983, at 7:30 p.m., in the Council Chambers at City Hall. Those present were Betsy Clark, Frank Dunn, Robert Holmes, Christine Kreissler, Mike Pacheco, Ray Phipps, and President of the Council Gary Lucero. Also present were City Manager Jim Wysocki, Assistant City Attorney Bourtai Hargrove Nation, and Deputy City Clerk Teddy Martinez.

Council President Lucero called the meeting to order and asked Councilwoman Kreissler to lead in the Pledge of Allegiance.

INVOCATION

Reverend Jack Olson, Columbus Evangelical Free Church.

MINUTES

Upon motion by Councilman Dunn, seconded by Councilwoman Kreissler and carried, the minutes of May 18, 1983, were approved as submitted.

PROCLAMATION DECLARING JUNE, 1983, "RECREATION AND PARKS MONTH"

RESOLUTION NO. 30-83 OF INDUCEMENT FOR FIRST NATIONAL BANK FOR INDUSTRIAL REVENUE BONDS \$7,000,000

The following Resolution was read:

RESOLUTION NO. 30-83

A RESOLUTION SETTING FORTH THE INTENT OF THE CITY OF GRAND JUNCTION, COLORADO, TO ISSUE INDUSTRIAL DEVELOPMENT REVENUE BONDS TO FINANCE A PROJECT FOR THE FIRST NATIONAL BANK OF GRAND JUNCTION.

WHEREAS, the City of Grand Junction, Colorado (the "City") is a municipal corporation duly organized and existing as a home rule city under Article XX of the Constitution of the State of Colorado and under the Charter of the City; and

WHEREAS, representatives of the First National Bank of Grand Junction (the "Company") have met with officials of the City and have advised the City of the Company's interest in constructing a new building (the "Project") within the City for use as the primary banking facility of the Company, subject to the willingness of the City to finance the cost of the Project as an industrial development bond project pursuant to the Colorado County and Municipality Development Revenue Bond Act, constituting Article 3, Title 29, Colorado Revised Statutes 1973, as amended (the "Act"); and

WHEREAS, the City has considered the Company's proposal and has concluded that the economic benefits to be derived therefrom by the City and its inhabitants will be substantial and that the City wishes to proceed with the financing of the costs of the Project.

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

1. In order to induce the Company to construct the Project, the City shall take all steps necessary or advisable pursuant to the Act to effect the issuance of industrial development bonds in the maximum aggregate amount of \$7,000,000 or such lesser amount as shall be mutually agreed upon to finance the costs of the Project.

2. No costs are to be borne by the City in connection with this transaction. Prior to the execution of the necessary financing documents as shall be mutually agreed upon in connection with the Project and the bonds, such documents will be subject to authorization by ordinance of the City Council pursuant to law.

PASSED and ADOPTED this 1st day of June, 1983.

/s/ Gary A. Lucero

President of the Council

Attest:

/s/ Theresa F. Martinez

Deputy City Clerk

Upon motion by Councilwoman Clark, seconded by Councilman Pacheco and carried with Councilman HOLMES voting NO, the Resolution was passed and adopted as read.

APPLICATIONS TO RENEW LIQUOR AND BEER LICENSES - APPROVED

Upon motion by Councilman Dunn, seconded by Councilwoman Clark and carried with Councilman HOLMES voting NO, the applications by the following businesses to renew beer and liquor licenses were approved:

1. Lincoln Park Golf Course, 14th and Gunnison (3.2% Beer)
2. Danny's, 103 N. 1st Street (Hotel-Restaurant).

HEARING - APPLICATION BY H. J. HUSTON'S, INC., FOR CONDITIONAL USE AND FOR HOTEL-RESTAURANT LIQUOR LICENSE AT H. J. HUSTON'S, 2839 NORTH AVENUE - DECISION SCHEDULED JUNE 22, 1983

A hearing was held after proper notice on the application by H. J. Huston's, Inc., for a conditional use and hotel-restaurant liquor

license at H. J. Huston's, 2839 North Avenue. The following report was read:

"An application was filed by H. J. Huston's on April 29, 1983, for a Hotel-Restaurant Liquor License which permits sales of malt, vinous and spirituous liquor by the drink for consumption on the premises of the licensee at H. J. Huston's, 2839 North Avenue. Corporate Officers are:

President: Hans J. Lull, 0089 Daniel Drive, Aspen CO
Vice Pres: David E. Hocker, 2057 Bittel Road, Owensboro KY
Treasurer: Roger L. Huston, 5200 Newbolt Road, Owensboro KY
Secretary: Louis Anaya, 295A Boston Lane, Grand Junction CO

The display ad giving notice of hearing was published in The Daily Sentinel May 20, 1983, and the sign giving notice of hearing was posted on the property May 20, 1983.

The area bounded by Gunnison Avenue on the south, 28-1/4 Road on the west, Elm Avenue on the north, to 28-3/4 Road on the east was surveyed. Results:

1. Yes, I am in favor of the issuance of the license as I believe the needs of the neighborhood are not being met by existing outlets. 134

a. An owner of property in the neighborhood. 59

b. An employee or business lessee of property in the neighborhood. 51

c. An inhabitant of the neighborhood. 45

2. No, I am not in favor of the issuance of the license as I believe the needs of the neighborhood are being met by existing outlets. 109

a. An owner of property in the neighborhood. 62

b. An employee or business lessee of property in the neighborhood. 22

c. An inhabitant of the neighborhood. 38

3. No Opinion 20

The applicant has filed a petition containing 101 signatures in favor of the license. The Police Department report indicates nothing of a derogatory nature regarding the background of the corporate officers. Reports from the Mesa County Health Department and Grand Junction Fire Department indicate health and fire regulations are being met by the applicant.

Similar-type outlets within survey area and one mile: 2."

The map showing similar-type outlets was reviewed. The applicant was represented at the hearing by Mr. Robert Traylor, attorney. Mr. Hans Lull, President and Manager of H. J. Huston's, was present to answer questions of Council. There were no opponents, letters or counterpetitions.

A conditional use hearing was held by the Planning Commission on May 31, 1983.

The hearing was closed. A Resolution of Findings and Decision is scheduled for June 22, 1983, City Council meeting.

RESOLUTION NO. 31-83 OF FINDINGS AND DECISION RE: APPLICATION BY GOODPASTURES, INC., DBA GOODPASTURES, 733 HORIZON DRIVE, FOR CONDITIONAL USE AND FOR A BEER-WINE LICENSE FOR ON-PREMISE CONSUMPTION - APPROVED

The following Resolution was read:

RESOLUTION NO. 31-83

OF DECISION ON APPLICATION FOR A BEER-WINE LICENSE BY GOODPASTURES, INC., FOR GOODPASTURES LOCATED AT 733 HORIZON DRIVE, GRAND JUNCTION, COLORADO.

A public hearing having been held on May 4, 1983, on the application by Goodpastures, Inc., for a beer-wine license for Goodpastures at 733 Horizon Drive, Grand Junction, and the City Council having considered the evidence adduced at said hearing, FINDS:

1. The hearing was held on May 4, 1983, on the application after proper notice thereof under the Liquor Code.
2. The survey conducted by the City indicated that the needs of the neighborhood were not being met by other outlets in that 218 persons so stated while 41 felt the needs were being met by the other outlets.
3. No one appeared at the hearing in opposition to the granting of the license and no petitions or letters of disapproval were received by the City Council.
4. The character of the applicant is good as determined by checking done by the Police Department and by letters attesting to said good character, the applicant being the officers of the corporation making the application.
5. That the evidence supports the position that the license should issue both under the Liquor Code and the previous practice of the City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF

GRAND JUNCTION:

That a Beer-Wine License issue to Goodpastures, Inc., for Goodpastures located at 733 Horizon Drive, Grand Junction, Colorado, and the license be approved as a conditional use.

PASSED and ADOPTED this 1st day of June, 1983.

/s/ Gary A. Lucero

President of the Council

Attest:

/s/ Theresa F. Martinez

Deputy City Clerk

Upon motion by Councilman Dunn, seconded by Councilman Phipps and carried with Councilman HOLMES voting NO, the Resolution was passed and adopted as read.

HEARING - APPLICATION BY AMERICAN HISTORICAL SOCIETY OF GERMANS FROM RUSSIA FOR A MALT, VINOUS AND SPIRITUOUS LIQUOR SPECIAL EVENTS PERMIT AT TWO RIVERS PLAZA, 159 MAIN STREET, JULY 9, 5 P.M. TO 2 A.M. - DINNER-DANCE - 1ST PERMIT - APPROVED

A hearing was held after proper notice on the application by American Historical Society of Germans from Russia for a Malt, Vinous and Spirituous Liquor Special Events Permit at Two Rivers Plaza, 159 Main Street, July 9, 1983, from 5 p.m. to 2 a.m. for a dinner-dance. Mr. Alex Bauer was present representing the organization. There were no opponents, letters or counterpetitions. Upon motion by Councilwoman Clark, seconded by Councilman Dunn and carried with Councilman HOLMES voting NO, the application was approved.

HEARING - APPLICATION BY HISPANIC WOMEN'S FELLOWSHIP ASSOCIATION FOR A MALT, VINOUS AND SPIRITUOUS LIQUOR SPECIAL EVENTS PERMIT AT TWO RIVERS PLAZA, 159 MAIN STREET, JULY 2, 1983 5 P.M. TO 2 A.M. - DANCE - 1ST PERMIT - APPROVED

A hearing was held after proper notice on the application by Hispanic Women's Fellowship Association for a Malt, Vinous and Spirituous Liquor Special Events Permit at Two Rivers Plaza, 159 Main Street, July 2, 1983, from 5 p.m. to 2 a.m. for a dance. Marla Garcia was present representing the organization. There were no opponents, letters or counterpetitions. Upon motion by Councilwoman Clark, seconded by Councilwoman Kreissler and carried with Councilman HOLMES voting NO, the application was approved.

REFUNDING OF 1982 WATER BOND ISSUE

Councilman Pacheco reported that at present Grand Junction has a

bond issue in the amount of \$1,350,000 at 11.106%. It has been proposed that the City refund at a level of \$1,715,000 at approximately 8.35%. Said proposal allows the City to leverage the difference in interest rates and increase the amount of money that the City can use to approximately \$233,000. Action by ordinance is scheduled for the later part of June, 1983.

ORDINANCE ON FINAL PASSAGE - PROOFS OF PUBLICATION

Proofs of Publication were received on all Ordinances proposed for final passage. Copies of the Ordinances proposed for final passage were submitted in writing to the City Council prior to the meeting.

ORDINANCE NO. 2127 - REZONE 850 GRAND AVENUE FROM RMF-64 TO PB

Upon motion by Councilman Holmes, seconded by Councilwoman Clark and carried, the following entitled proposed ordinance was called up for final passage and the title only was read: AN ORDINANCE AMENDING THE ZONING MAP, A PART OF CHAPTER 32 OF THE CODE OF ORDINANCES OF THE CITY OF GRAND JUNCTION, BY CHANGING THE ZONING OF CERTAIN LANDS WITHIN THE CITY.

There were no comments. Upon motion by Councilman Dunn, seconded by Councilwoman Kreissler and carried by roll call vote, the Ordinance was passed, adopted, numbered 2127, and ordered published.

ORDINANCE NO. 2128 - REZONE NE CORNER OF ORCHARD AVENUE AND COLLEGE PLACE AND SW CORNER OF WALNUT AVENUE AND 12TH STREET FROM RMF-64 TO PB

Upon motion by Councilwoman Kreissler, seconded by Councilman Holmes and carried, the following entitled proposed ordinance was called up for final passage and the title only was read: AN ORDINANCE AMENDING THE ZONING MAP, A PART OF CHAPTER 32 OF THE CODE OF ORDINANCES OF THE CITY OF GRAND JUNCTION, BY CHANGING THE ZONING OF CERTAIN LANDS WITHIN THE CITY.

There were no comments. Upon motion by Councilman Pacheco, seconded by Councilwoman Kreissler and carried by roll call vote, the Ordinance was passed, adopted, numbered 2128, and ordered published.

ORDINANCE NO. 2129 - ALLEY VACATION BETWEEN 4TH AND 5TH STREETS, WHITE AND GRAND AVENUE - APPROVED WITH CONDITIONS

Upon motion by Councilwoman Clark, seconded by Councilman Pacheco and carried, the following entitled proposed ordinance was called up for final passage and the title only was read: AN ORDINANCE VACATING AN ALLEY IN THE CITY OF GRAND JUNCTION.

Public Works Director Jim Patterson reported that Leigh, Scott and Cleary were hired by First National Bank to do an engineering

analysis addressing the alley situation to identify any problems, if any, and traffic generation on White Avenue and 5th Street. Mr. Patterson stated the scope of the response from Leigh, Scott and Cleary, Inc., was inadequate. Staff expresses concern that there may be a traffic problem with entrance to the alley.

Upon motion by Councilman Phipps, seconded by Councilwoman Clark and carried with Councilman HOLMES voting NO, the alley vacation between 4th and 5th Streets, White and Grand Avenue, was approved subject to a traffic flow pattern being developed that is acceptable to the City Traffic Department. A condition of this is that if this plan allows use of the alley for access or exit to the drive-ups should the alley blockage ever become unreasonably long in the judgement of the City Traffic Department, that access should then be reviewed, and other entry or exit shall be found.

Upon motion by Councilman Pacheco, seconded by Councilwoman Clark and carried by roll call vote with Councilman HOLMES voting NO, the Ordinance was passed, adopted, numbered 2129, and ordered published.

ORDINANCE NO. 2130 - REDUCING THE PERCENTAGE RETAINED BY THE RETAILER FOR COLLECTING THE CITY SALES TAX

Upon motion by Councilman Holmes, seconded by Councilwoman Kreissler and carried, the following entitled proposed ordinance was called up for final passage and the title only was read: AN ORDINANCE REDUCING THE PERCENTAGE RETAINED BY THE RETAILER FOR COLLECTING THE CITY SALES TAX.

There were no comments. Upon motion by Councilwoman Clark, seconded by Councilman Dunn and carried by roll call vote, the Ordinance was passed, adopted, numbered 2130, and ordered published.

ORDINANCE NO. 2131 - APPROPRIATING MONIES FOR FUNDING A VISITORS AND CONVENTION BUREAU IN THE CITY OF GRAND JUNCTION

Upon motion by Councilman Dunn, seconded by Councilwoman Clark and carried, the following entitled proposed ordinance was called up for final passage and the title only was read: AN ORDINANCE APPROPRIATING MONIES FOR FUNDING A VISITORS AND CONVENTION BUREAU IN THE CITY OF GRAND JUNCTION.

There were no comments. Upon motion by Councilman Dunn, seconded by Councilman Holmes and carried by roll call vote, the Ordinance was passed, adopted, numbered 2131, and ordered published.

The President declared a five-minute recess. Upon reconvening, all seven members of council were present.

RESOLUTION NO. 32-83 - PROPOSED ORDINANCE - SOUTHGATE ANNEXATION, B-1/2 ROAD AND LINDEN AVENUE

A Petition for Southgate Annexation, B-1/2 Road and Linden Avenue, was filed. The following Resolution was read:

RESOLUTION NO. 32-83

WHEREAS, on the 1st day of June, 1983, a petition was submitted to the City Council of the City of Grand Junction, Colorado, for annexation to said City of the following property situate in Mesa County, Colorado, and described as:

Lots 3 and 4 of Southgate Commons, together with highway right-of-way to the center of B-1/2 Road on the South of the tracts and the centerline of Linden Avenue on the West;

and

WHEREAS, the Council has found and determined and does hereby find and determine that said petition is in substantial compliance with statutory requirements therefor; that one-sixth of the perimeter of the area proposed to be annexed is contiguous with the City; that a community of interest exists between the territory and the City; that the territory proposed to be annexed is urban or will be urbanized in the near future; that the said territory is integrated or is capable of being integrated with said City, and that no election is required under the Municipal Annexation Act of 1965 as the owner of one hundred percent of the property has petitioned for annexation;

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

That the said territory is eligible for annexation to the City of Grand Junction, Colorado, and should be so annexed by Ordinance.

PASSED and ADOPTED this 1st day of June, 1983.

/s/ Gary A. Lucero

President of the Council

Attest:

/s/ Theresa F. Martinez

Deputy City Clerk

Upon motion by Councilman Dunn, seconded by Councilman Pacheco and carried with Councilman HOLMES voting NO, the Resolution was passed and adopted as read.

Upon motion by Councilman Pacheco, seconded by Councilman Phipps and carried, the following entitled emergency ordinance was read: AN ORDINANCE ANNEXING TERRITORY TO THE CITY OF GRAND JUNCTION AND DECLARING AN EMERGENCY. It was moved by Councilman Pacheco,

seconded by Councilman Dunn that the emergency ordinance be passed, adopted, numbered 2132 and ordered published. Upon roll call vote, members voting AYE: DUNN, PHIPPS. Members voting NO: CLARK, PACHECO, HOLMES, KREISSLER, LUCERO.

Upon motion by Councilwoman Clark, seconded by Councilman Pacheco and carried with Councilman HOLMES voting NO, the proposed ordinance was passed for publication with final reading scheduled on June 22, 1983.

CHANGE ORDER #5 TO CONSTRUCT WATER MAIN TO PERSIGO WASTEWATER TREATMENT PLANT - \$99,485

Upon motion by Councilman Phipps, seconded by Councilman Pacheco and carried, Change Order #5 to Construct Water Main to Persigo Wastewater Treatment Plant in the amount of \$99,485 was approved, and the City Manager was authorized to sign.

AUTHORIZATION TO CONTINUE WITH INFILTRATION-INFLOW STUDY - \$72,191

Upon motion by Councilwoman Clark, seconded by Councilman Pacheco and carried, continuation with Infiltration-Inflow Study up to the additional amount of \$72,191 was approved.

AUTHORIZATION TO AWARD CONTRACT FOR REPAVING OF STREETS WITHIN THE CITY TO CUTLER REPAVING, INC. - \$90,650

Upon motion by Councilman Dunn, seconded by Councilwoman Clark and carried with Councilwoman KREISSLER ABSTAINING, the award of the contract for repaving of streets within the City to Cutler Repaving, Inc., in the amount of \$90,650 was authorized and the City Manager was authorized to sign the Contract.

AUTHORIZATION TO AWARD CONTRACT TO SUPPLY HOT BITUMINOUS ASPHALT FOR REPAVING CONTRACT TO CORN CONSTRUCTION - \$87,000

Upon motion by Councilman Phipps, seconded by Councilwoman Clark and carried with Councilwoman KREISSLER ABSTAINING, the contract to supply Hot Bituminous Asphalt for Repaving Streets was awarded Corn Construction in the amount of \$87,000, and the City Manager was authorized to sign said Contract.

RESOLUTION NO. 33-83 - RENEWING AND EXTENDING INDUCEMENT RESOLUTION FOR \$2,500,000 IRBs - 4SC, A COLORADO GENERAL PARTNERSHIP - OFFICE BUILDING AT 7TH AND ROOD

The following Resolution was read:

RESOLUTION NO. 33-83

RENEWING AND EXTENDING INDUCEMENT RESOLUTION FOR INDUSTRIAL DEVELOPMENT REVENUE BONDS TO FINANCE A PROJECT FOR 4SC, A COLORADO GENERAL PARTNERSHIP

WHEREAS, the City of Grand Junction, in the State of Colorado (the "City"), is authorized by the County and Municipality Development Revenue Bond Act, Title 29, Article 3, Part 1, C.R.S. 1973, as amended (the "Act"), for the benefit of the inhabitants of the State and for the promotion of their health, safety, welfare, convenience, and prosperity, to finance one or more projects, including any land, building or other improvements and all necessary and appurtenant real or personal properties suitable for commercial facilities, upon such conditions as the City Council of the City may deem advisable; and

WHEREAS, the City is further authorized by the Act to issue its revenue bonds or other obligations for the purpose of defraying the cost of financing any such projects; and

WHEREAS, representatives of 4SC, a general partnership duly organized under the laws of the State of Colorado (the "User"), have met with officials of the City and have advised the City of the User's interest in the acquisition and improvement of land and the construction and equipment of an office building located within the City (the "Project") subject to the willingness of the City to finance the project by the issuance of industrial development revenue bonds or other obligations pursuant to the Act; and

WHEREAS, the User has represented to the City that the Project has been designed to qualify as a "project" within the meaning of the Act; and

WHEREAS, the City has considered the User's proposal and has concluded that the economic benefit to the City will be substantial due to an increase in employment and the promotion of industry and development of trade and other economic activity within the City; and

WHEREAS, the City has hereby determined that issuing its industrial development revenue bonds for the Project will benefit the health, welfare, safety, convenience, and prosperity of the inhabitants of the City; and

WHEREAS, the City wishes to proceed with the financing of the Project; and

WHEREAS, the proposed issuance of the industrial development revenue bonds and the execution of related financing documents are not prohibited by any ordinances or rules of the City; and

WHEREAS, general economic conditions have precluded the User from initiating the Project in the two year period initially planned for initiation; and

WHEREAS, the User has requested an extension of the original period in which the City and the User shall have agreed to mutually acceptable terms for the Bonds, and for the sale and

delivery thereof, for an additional one year period; and

WHEREAS, the City finds that the requested one year extension is acceptable;

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

Section 1. In order to induce the User to complete the Project within the City, the City shall take all steps necessary or advisable to effect the issuance of industrial development revenue bonds or other obligations (the "Bonds") in a maximum aggregate principal amount of \$2,500,000. This Resolution is and constitutes the taking of affirmative official action by the City toward the issuance of the Bonds. The Bonds and the financing documents relating to said Bonds shall be subject to the terms and conditions of the Memorandum of Agreement between the City and the User attached hereto as Exhibit "A" and Extension Agreement between the City and the User attached hereto as Exhibit "B", both of which are incorporated herein by this reference. No costs are to be borne by the City in connection with the issuance of the Bonds.

Section 2. The terms and conditions of the Bonds and of the financing documents relating to said Bonds or other obligations will be mutually agreed upon by the City and the User, and prior to their execution, such documents will be subject to authorization by Ordinance of the City Council pursuant to law and any ordinance or rules of the City.

Section 3. The User has agreed to provide for reimbursement of all expenses incurred to or to be incurred by the City related to the User's Project pursuant to the Memorandum of Agreement attached hereto as Exhibit "A".

Section 4. Neither the Bonds, including interest and any premiums thereon, nor anything contained in this Resolution shall constitute a debt or indebtedness of the City within the meaning of the Constitution or statutes of the State of Colorado, nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers. The Bonds shall be payable solely from the secured by a pledge of revenues derived from the payable pursuant to the financing documents referred to in Section 2 hereof.

Section 5. All commitments by the City made herein are subject to the condition that on or before June 17, 1984, the City and the User shall have agreed to mutually acceptable terms for the Bonds or other obligations provided for hereunder, in an amount not to exceed \$2,500,000, and for the sale and delivery thereof.

Section 5. The form of Memorandum of Agreement presented to the City Council is approved and the Mayor of the City and the Clerk of are authorized to execute the Memorandum of Agreement, with

such changes as the City Attorney may approve, on behalf of the City are hereby authorized to initiate and assist in the preparation of such documents as may be appropriate to the Bonds.

The above and foregoing Resolution was adopted by the City Council on this 1st day of June, 1983.

/s/ Gary A. Lucero

President of the Council

Attest:

/s/ Theresa F. Martinez

Deputy City Clerk

EXHIBIT "A"

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is between the City of Grand Junction, Colorado (the "City") and 4SC, a Colorado general partnership duly formed and existing under the laws of the State of Colorado (the "user").

1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following:

(a) The City is a city in the State of Colorado, a body politic and corporate, authorized and empowered by Title 29, Article 3, of the Colorado Revised Statutes 1973, as amended (the "Act"), to issue development revenue bonds to finance one or more projects, including any land, building or other improvement and all real or personal properties suitable or used for Commercial facilities upon such terms and conditions as the City Council of the City of Grand Junction (the "Council") deems advisable.

(b) In order to increase employment and in order to promote industry and develop trade and other economic activity within the City of Grand Junction, State of Colorado: (1) the User proposes to acquire and improve land for and construct and equip an office building thereon located within the City and to acquire all necessary and appurtenant real and personal properties, whether or not now in existence (the "Project"), (2) pursuant to a Loan Agreement between City and User (the "Loan Agreement"), City will loan the proceeds of its industrial development revenue bonds or other obligations not to exceed \$2,500,000 (the "Bonds") to the User for such acquisition, improvement, construction, and equipment, and (3) the User will make loan repayments under said Loan Agreement sufficient to pay the principal of premiums, if any, and interest on the Bonds or other obligations.

(c) The City has indicated its willingness to proceed with the issuance of its Bonds or other obligations as provided by the Act to finance the Project and has advised the User that, subject to due compliance with all requirements of law, the obtaining of all necessary consents and approvals, and the happening of all acts, conditions and things required precedent to such financing, the City, pursuant to the Act, will issue the Bonds in a principal amount sufficient to pay the costs of such acquisition, improvement, construction, and equipment of the Project, the funding of any necessary reserves and the expenses of issuance and sale of the Bonds, not to exceed an aggregate principal amount of \$2,500,000.

(d) The City considers that financing the Project and entering into the Loan Agreement with the User with respect to the Project will promote economic activity within the City, a public purpose as described in S29-3-102(1), C.R.S. 1973.

2. Undertakings by the City. The City agrees as follows:

(a) The City will issue the Bonds or other obligations pursuant to the terms of the Act in a principal amount not to exceed \$2,500,000 to complete the Project, the funding of any necessary reserves and the expenses incident to the authorization, sale and issuance of the Bonds.

(b) The City will adopt such proceedings and authorize: (i) the execution and delivery of such documents as may be reasonably necessary or advisable for the authorization, issuance and sale of the Bonds, (ii) the financing, acquisition, improvement, construction and equipment of the Project and (iii) the execution of the Loan Agreement with the User and such other documents relating to the Bonds as shall be authorized by the Act or other law and as shall be mutually satisfactory to the City and the User.

(c) The aggregate sums to be paid by the User under the Loan Agreement shall be sufficient to pay the principal of, redemption premiums, if any, and interest on the Bonds as and when the same shall become due.

(d) The City will take such other acts and adopt such further proceedings as may be reasonably required to implement the aforesaid undertakings and as it may deem appropriate in pursuance thereof.

(e) The Bonds shall provide that they shall be payable solely from and secured by a pledge of the revenues derived from and payable pursuant to the provisions of the Loan Agreement, that they shall never constitute the general obligations of the City within the meaning of any provision or limitation of the Constitution or statutes of the State, and that they shall not constitute nor give rise to a pecuniary liability or a charge against the general credit or taxing powers of the City, the State of Colorado or any

political subdivision thereof.

(f) In authorizing the issuance of the Bonds pursuant to this Agreement, the City will make no warranty, either expressed or implied, that the proceeds of the Bonds will be sufficient to pay all costs of the Project.

3. Undertakings on the Part of the User. The User agrees as follows:

(a) The User will enter into a contract or contracts for the acquisition, improvement, construction, and equipment of the Project.

(b) Prior to the delivery of the Bonds, the User will enter into the Loan Agreement with the City under the terms of which the User will obligate itself to complete the acquisition, construction, development and equipment of the Project and, to the extent not payable out of proceeds of the Bonds, to pay to the City sums sufficient in the aggregate to pay or reimburse the City for all reasonable expenses incurred by it in connection with the authorization, issuance and sale of the Bonds, including without limitation the reasonable expenses that the City deems necessary for attorneys', accountants', and auditors' fees and expenses, and to make loan repayments sufficient to pay the principal of, premiums, if any, and interest on the Bonds as and when the same shall become due and payable, all utility charges, taxes, assessments, casualty and liability insurance premiums, and any other expenses or charges relating to the ownership, use, operation, maintenance, occupancy and upkeep of the Project, such Loan Agreement to contain such other provisions as may be required by law and as shall be mutually acceptable to the Town and the User.

(c) The User will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

4. General Provisions.

(a) Prior to the issuance of the Bonds, there shall be a reasonable showing to the City Council that the User is capable and will remain capable of carrying out its financial obligations under the Loan Agreement.

(b) All commitments with respect to the Bonds in a principal amount not to exceed \$2,500,000 of the City under Section 2 hereof and of the User under Section 3 are subject to the condition that, on or before two years from the date of this Agreement, the City or the User shall have agreed to mutually acceptable terms for the Bonds and for the issuance, sale and delivery thereof, and mutually acceptable terms and conditions for the Loan Agreement, and such other documents referred to in Section 2 and the proceedings referred to in Sections 2 and 3 hereof, and the City

and the User shall have complied with all of the provisions of the Act applicable to the issuance, sale and delivery of the Bonds and the financing of the Project.

(c) If the events set forth in Section 4(a) and (b) above do not take place within the time set forth or any extension thereof, and if the Bonds are not issued and sold within that time, the User agrees that it will reimburse the City for all reasonable and necessary direct out-of-pocket expenses which the City may incur arising from the execution of this Agreement, including without limitation the reasonable expenses that the City deems necessary for attorneys, accountants, and auditors' fees and expenses, and the performance of the City's obligations hereunder, whereupon this Agreement shall terminate.

IN WITNESS WHEREOF, the parties have entered into this Agreement by their duly authorized officers on this 17th day of June, 1981.

CITY OF GRAND JUNCTION, COLORADO

/s/ Louis R. Brach

President of the Council

Attest:

/s/ Neva B. Lockhart, CMC

City Clerk

4SC, A Colorado General Partnership

/s/ James K. Dyer

/s/ Joyce A. Aiken

President

EXHIBIT "B"

EXTENSION AGREEMENT

THIS EXTENSION AGREEMENT is between the City of Grand Junction, Colorado (the "City") and 4SC, a Colorado General Partnership duly formed and existing under the laws of the State of Colorado (the "User").

1. The parties incorporate herein by this reference that Memorandum of Agreement between them entered into by their duly authorized officers on the 17th day of June, 1981, hereinafter referred to as "Exhibit A."

2. The parties agree that the two year period specified in paragraph 4 (b) of Exhibit A shall be extended for an additional one year period ending on June 17, 1984.

IN WITNESS WHEREOF, the parties have entered into this Agreement by their duly authorized officers on the 1st day of June, 1983.

CITY OF GRAND JUNCTION, COLORADO

/s/ Gary A. Lucero

President of the Council

Attest:

/s/ Theresa F. Martinez

Deputy City Clerk

ACCEPTED:

4SC, a Colorado General Partnership

;sigl;

/s/ James K. Dyer, General Partner

;sigl;

/s/ Joyce A. Aiken, General Partner

Upon motion by Councilman Dunn, seconded by Councilwoman Clark and carried with Councilman HOLMES voting NO and Councilman PHIPPS ABSTAINING, the Resolution was passed and adopted as amended to read extension date of June 17, 1984.

CITIZEN COMPLAINT REGARDING MANAGEMENT OF CITY SWIMMING POOLS

Mr. Steve Peearo, 709 Jasmine Lane, appeared before City Council stating a great concern regarding lap-lane swimming particularly at Orchard Mesa Junior High School pool. Mr. Peearo felt there was negligence and apathy toward the obligation and responsibility of enforcing lap-lane order and safety. An incident occurred on Tuesday, May 17, 1983, at Orchard Mesa Junior High swimming pool, involving an injury received by Mr. Peearo. It was recommended that Mr. Peearo meet with City Recreation Staff and City Manager Wysocki to clarify the mismanagement problem and resolve the situation.

LETTER OF APPRECIATION TO UNITED SAND & GRAVEL

Assistant City Manager Ron Ruskey asked permission to draft a letter of thanks to United Sand & Gravel for the donation of over 1000 yards of pit run to shore up the banks of the Colorado River during the present run-off period. Council gave permission to draft the letter along with letters to any others that may have

been involved in the project.

CML LEGISLATIVE COMMITTEE

Councilwoman Kreissler reported on CML Legislative Policy Committee Meeting in Denver during the past week. Amended policies will be presented to the membership in Colorado Springs in two weeks.

AIRPORT AUTHORITY

Councilman Dunn reported receipt of new bonding in the amount of \$3,900,000, leaving a cash balance of \$480,000 to pay off existing debts.

VACANCIES ON PARKING AUTHORITY, TOURISM COMMITTEE, PARK IMPROVEMENT ADVISORY BOARD, PARKS & RECREATION BOARD, PLANNING COMMISSION, ARCHITECT & ENGINEERING SELECTION COMMITTEE, DOWNTOWN DEVELOPMENT AUTHORITY

It was suggested that Council advertise vacancies on the Parking Authority, Tourism Committee, Parks Improvement Advisory Board, Parks & Recreation Board, Planning Commission and Downtown Development Authority. Letters of interest should be filed with the City Council.

APPOINTMENTS TO ARCHITECT & ENGINEERING SELECTION COMMITTEE

The following persons were appointed by City Council to the Architect & Engineering Selection Committee: Architect Bob Van Deusen, Larry Boyd, Councilman Ray Phipps, Ed Carpenter, Dennis Edson, Lou Grasso, and Staff member Ron Ruskey.

NOMINATION OF CHRISTINE KREISSLER TO CML BOARD

President Lucero reported he was authorized to send letters to CML Nominating Committee informing them of Councilwoman Christine Kreissler as Council's preference as representative on the Board.

ADJOURNMENT

The President adjourned the meeting.

Theresa F. Martinez

Theresa F. Martinez
Deputy City Clerk