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**CITY COUNCIL AGENDA
MONDAY, NOVEMBER 14, 2011
250 NORTH 5TH STREET
6:30 P.M. – PLANNING DIVISION CONFERENCE ROOM
7:00 P.M. – REGULAR MEETING – CITY HALL AUDITORIUM**

Call to Order
(7:00 p.m.)

Pledge of Allegiance
Moment of Silence

Proclamation

Proclaiming November 2011 as Blue Star Mothers Month” in the City of Grand Junction

Appointment

To the Housing Authority

Council Comments

Citizen Comments

City Manager’s Report

***** CONSENT CALENDAR ***®**

*** Indicates Changed Item*

**** Indicates New Item*

® Requires Roll Call Vote

REVISED

1. **Minutes of Previous Meeting** [Attach 1](#)

Action: Approve the Minutes of the November 2, 2011 Regular Meeting

2. **Setting a Hearing Zoning the Banner Enclave Annexation, Located at 2977 and 2979 Gunnison Avenue** [File # ANX-2011-1124] [Attach 2](#)

A request to zone the Banner Enclave Annexation, located at 2977 and 2979 Gunnison Avenue, which consists of two (2) parcels, to an I-1 (Light Industrial) zone district.

Proposed Ordinance Zoning the Banner Enclave Annexation to I-1 (Light Industrial) Located at 2977 and 2979 Gunnison Avenue

Action: Introduce a Proposed Ordinance and Set a Public Hearing for December 7, 2011

Staff presentation: Brian Rusche, Senior Planner

3. **Setting a Hearing on an Ordinance Authorizing the Refunding of a Portion of the General Fund Revenue Bonds, Series 2004, and Issuing Series 2011 Refunding Bonds** [Attach 3](#)

In an effort to maximize the use of existing resources and capitalize on the current municipal bond market, with historically low interest rates, staff has worked with financial advisors and legal counsel to bring forth to City Council a potential refinancing of the 2004 Riverside Parkway Bonds ("2004 bonds"). After initial discussions with Council and at their request additional options were considered and brought back for further evaluation including three non-refinancing options. At the October 31st budget workshop, after reviewing six options, the City Council directed staff to move forward with refinancing the 2004 bonds using the proceeds from lower interest 2012 bonds as well as the \$19 million in TABOR dollars that have been saved since the voters' authorization in 2007. This refinancing transaction, which includes using the TABOR early debt retirement reserve, is estimated to save the City a total of \$7.3 million dollars in interest costs, as well as make another \$14 million in existing dollars available between 2012 and 2021 because the annual debt service payment would be lower.

Proposed Ordinance Authorizing the Issuance of City of Grand Junction, Colorado, General Fund Revenue Funding Bonds, Series 2012, for the Purpose of Refunding all or Any Portion of the City's General Fund Revenue Bonds, Series 2004, and Pledging Certain Revenues of the City for the Payment of the Bonds

Action: Introduce a Proposed Ordinance and Set a Hearing for December 7, 2011. Authorize the City Manager to Sign a Contract with RBC Capital Markets, LLC for the Underwriting if the Ordinance is Adopted at Second Reading

Staff presentation: Laurie Kadrach, City Manager
Jodi Romero, Financial Operations Manager

4. **Amending Council Assignments for 2011 – 2012** [Attach 4](#)

At their October 31, 2011 workshop, the City Council directed Staff to prepare a resolution amending the assigned Council member to the Grand Junction Regional Airport Authority and the 5-2-1 Drainage Authority.

Resolution No. 52-11—A Resolution Amending Resolution No. 24-11 Appointing and Assigning City Councilmembers to Represent the City on Various Boards, Committees, Commissions and Organizations

®Action: Adopt Resolution No. 52-11

Staff presentation: City Council

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

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

5. **23 Road and G Road Intersection Reconstruction** [Attach 5](#)

This is the contract award for the construction of a roundabout to replace an existing four-way intersection at 23 Road and G Road. The majority of this project is funded by the Federal Highway Administration's (FHWA) Surface Transportation Improvement Program and partially funded by the City of Grand Junction's Capital Improvement Project (CIP) Fund. This program is administered by the Colorado Department of Transportation (CDOT).

Action: Authorize the Purchasing Division to Enter into a Contract with M.A. Concrete Construction, Inc. of Grand Junction, Colorado for the Construction of a Roundabout at the Intersection of 23 Road and G Road in the Amount of \$722,761.75

Staff presentation: Tim Moore, Public Works and Planning Director
Jay Valentine, Assistant Financial Operations Manager

6. **Non-Scheduled Citizens & Visitors**
7. **Other Business**
8. **Adjournment**

Attach 1
Minutes

**GRAND JUNCTION CITY COUNCIL
MINUTES OF THE REGULAR MEETING**

November 2, 2011

The City Council of the City of Grand Junction convened into regular session on the 2nd day of November, 2011 at 7:00 p.m. in the City Auditorium. Those present were Councilmembers Bennett Boeschstein, Teresa Coons, Jim Doody, Laura Luke, Bill Pitts, Sam Susuras, and Council President Tom Kenyon. Also present were City Manager Laurie Kadrich, City Attorney John Shaver, and City Clerk Stephanie Tuin.

Council President Kenyon called the meeting to order. Councilmember Luke led the Pledge of Allegiance, followed by an invocation by David Eisner, Ohr Shalom Jewish Community Center.

Council President Kenyon welcomed students from an American Government Class from Colorado Mesa University.

Proclamations

Proclaiming November 11, 2011 as “A Salute to all Veterans 2011” in the City of Grand Junction

Proclaiming November 2011 as “Hospice and Palliative Care Month” in the City of Grand Junction

Proclaiming the Month of November 2011 as “Random Acts of Kindness Month” in the City of Grand Junction

Certificate of Appointment

Les Miller was present to receive his Certificate of Appointment to the DDA/DGJBID Board. He thanked the City Council for the opportunity to serve noting that the downtown is important to the community.

Council Comments

Councilmember Doody announced that at 11:11 a.m. on November 11, 2011 there will be a commemoration to Veterans at the Vietnam Veterans Memorial Park in Fruita with the key note speaker being Police Chief John Camper.

Councilmember Coons noted that a lot of people in the community have made the St. Martins Homeless Veterans Housing mentioned by Rick Peterson, Chairman of the Veterans Committee, possible.

Councilmember Boeschstein said he attended the two neighborhood meetings for Lincoln Park and he commended the plan to freshen the park.

Citizen Comments

There were none.

CONSENT CALENDAR

Councilmember Susuras moved to approve the Consent Calendar and then read Items #1 through #4. Councilmember Pitts seconded the motion. Motion carried by roll call vote.

1. **Minutes of Previous Meetings**

Action: Approve the Minutes of the October 17, 2011, Regular Meeting

2. **CDBG Subrecipient Contract for Funds and Projects within the Community Development Block Grant (CDBG) 2011 Program Year** [File #CDBG-2011-06]

The Subrecipient Contract formalizes the City's award of \$30,000 to HomewardBound of Western Colorado, Inc. allocated from the City's 2011 CDBG Program as previously approved by Council.

Action: Authorize the City Manager to Sign the Subrecipient Contract with HomewardBound of the Grand Valley, Inc. for the City's 2011 Program Year Funds

3. **Horizon Drive Association Business Improvement District 2012 Operating Plan and Budget**

Every business improvement district is required to file an operating plan and budget with the City Clerk by September 30 each year. The City Council is then required to approve the plan and budget within thirty days and no later than December 5. Horizon Drive Association Business Improvement District filed their 2012 Operating Plan and Budget. It has been reviewed by Staff and found to be reasonable.

Action: Approve Horizon Drive Association Business Improvement District's 2012 Operating Plan and Budget

4. **Downtown Grand Junction Business Improvement District 2012 Operating Plan and Budget**

Every business improvement district is required to file an operating plan and budget with the City Clerk by September 30 each year. The City Council is then required to approve the plan and budget within thirty days and no later than December 5. Downtown Grand Junction Business Improvement District filed their 2012 Operation Plan and Budget. It has been reviewed by Staff and found to be reasonable.

Action: Approve Downtown Grand Junction Business Improvement District's 2012 Operating Plan and Budget

ITEMS NEEDING INDIVIDUAL CONSIDERATION

Public Hearing – Amending the Comprehensive Plan by Adopting the North Avenue West Corridor Plan, Located between I-70B (west side) to 12th Street (east side including both sides of North Avenue) [File #CPA-2011-966]

The Corridor Plan establishes four guiding principles, multiple plan elements, and a future street cross section for North Avenue to further revitalize and plan for the future growth of North Avenue. It also recommends that a future overlay district be created and established as the Plan is implemented. The Grand Junction Planning Commission and City Staff recommend the adoption of the North Avenue West Corridor Plan as an element of the Grand Junction Comprehensive Plan.

The public hearing was opened at 7:32 p.m.

David Thornton, Principal Planner, presented this item. The consideration of the North Avenue West Corridor Plan is an amendment to the Comprehensive Plan. The Plan is to shape the corridor for the future. The Plan boundary for the west corridor area includes the southside of Belford Avenue and cuts through Colorado Mesa University (CMU) campus towards the Sherwood Park area west through to the I-70 Business Loop. The vision of the Comprehensive Plan is to be the most livable community west of the Rockies. The four guiding principles established through various focus groups are safety, aesthetics, placemaking, and neighborhood impacts.

Mr. Thornton noted there has been a lot of attention towards revitalizing North Avenue. The Planning Division looks for vacancies along North Avenue and then they contact the owners and get details on availability. The vacancy rate was at 11.4% along North Avenue whereas the City overall is at 6.4%. It has gone up recently to 11.65% whereas the City overall vacancy rate has stayed pretty steady at 6.6%. In their analysis, there are some unique areas, or subareas, throughout the corridor. It is easier to break it up into subareas. This section lent itself into three subareas. Around the First Street intersection

both directions, is considered an Automotive Sales and Service District. The next district to the east is designated as the Sherwood Park Mixed Use District and extends to around 5th Street. This area is already a mixed use area. The third district is around the University and is being dubbed as the Educational/Student Commercial and Entertainment District and extends from 7th Street to 12th Street. Students from the High School on 5th Street also impact this area.

Mr. Thornton reviewed the Plan Elements which are: creating a more unified street edge, designing street intersections with safety in mind, establishing appropriate locations for pedestrian crossings, creating a North Avenue streetscape - a look, functionality, and vitality of the corridor, constructing buildings adjacent to the street, consolidating existing curb cuts, creating opportunities for residential land uses, defining the street edge for commercial/retail land uses, transit and the use of bus pullouts and shelters, and signage including how to improve it.

Mr. Thornton highlighted the elements relative to pedestrians and transit users and presented some possible improvements relative to these elements.

Mr. Thornton advised that a number of focus groups were held. One such group included students and the University President. One of the main comments heard by this group was the need for more services near the school. There were public open houses and there was a survey where 351 surveys were returned. The respondents were in favor of bike lanes. 92% said it was a bad idea to allow parallel parking on North Avenue. Aesthetics were important to the respondents.

Several options were presented and the public was mostly in support of Option 3 which did not require new paving but rather only required restriping. Therefore, Option 3 is the option being recommended.

The Planning Commission recommended approval of this Plan and the next step would be to create an overlay district for the two sections of North Avenue. The section in the West Corridor Plan and the section included in the 2007 North Avenue Corridor Plan, which is the east section.

Councilmember Coons asked about the Village Center around Sherwood Park. Mr. Thornton said it would serve the Sherwood Park neighborhood and also be an area of employment for small businesses.

Councilmember Susuras asked for confirmation that there are no changes to the Future Land Use Map as a result of the Plan. Mr. Thornton said this Plan would not change any zoning or land use designation.

Councilmember Susuras asked for a clarification on what an Overlay Plan would look like. Mr. Thornton said most of the property along North Avenue is zoned C-1. If a property along the corridor would be redeveloped, an overlay would provide the developer with a

menu of choices for elements to include in their plan. It would not change the zoning, it would provide incentives for the plan to include the elements desired. The dedication of right-of-way is already part of the Code so that would not change, it is how that right-of-way is used. That would meet the goal of making the area more of an urban and pedestrian environment.

Councilmember Susuras asked about Colorado Department of Transportation's (CDOT's) involvement since it is a State Highway. Mr. Thornton said a CDOT representative served on the committee. CDOT really only cares about what happens between the curbs, so when restriping occurs they would be involved. Beyond the curb is within the City's jurisdiction.

Councilmember Boeschstein thanked Mr. Thornton for this long range view and said he supports bicycling. He does have concerns with the bike lanes along North Avenue with all the driveways; it is extremely dangerous. He would like to see the bike lanes delayed until many of the curb cuts are eliminated. There are alternative routes to North Avenue; one is Gunnison and another is Elm Avenue. He then asked about the funding for this project.

Mr. Thornton said that is still to be determined, this plan just lays out the options. The chances of a Special Improvement District could be difficult for the entire corridor, it may have to be done in small areas. The purpose is to set the stage for future opportunity.

Councilmember Boeschstein said funding could come from the capital fund or through Community Development Block Grant (CDBG) funds but nevertheless, it will probably be done in bits and pieces. Regarding the bike lane, that will be some time out and the questions of when to stripe the roadway could be analyzed at that time. He said it is understood that this will be a patchwork project, but without a plan, the patchwork of improvements will end up being long term.

Councilmember Boeschstein noted the businesses that have left North Avenue left big vacant stores. He asked if anything can be done to attract new businesses and have them locate on North Avenue. Mr. Thornton said that is part of the purpose of this plan, to have the vision to show any companies that inquire about North Avenue.

City Manager Kadrach said that North Avenue is one of the first places that the Economic Development Task Force takes businesses who are considering moving since the infrastructure is there. Most of that work has been futile since the business model shows the most traffic in the west end of town.

Councilmember Pitts complimented the Planning Division for the development of the Plan. He supported having a vision.

There were no public comments.

The public hearing was closed at 8:20 p.m.

Council President Kenyon noted the importance of appearance along North Avenue. He agreed with Councilmember Boeschstein about the bicycling situation; it is dangerous. His other concern is the jaywalkers crossing North Avenue between 10th and 12th Streets. He agreed with the bus pullouts as those are imperative. He supports the Plan. He hopes some of the serious issues can be addressed. The restaurants and their parking along North Avenue were not designed for the traffic that is in the area so that will need to be considered.

Councilmember Luke asked about 7th Street being ten feet wide and North Avenue is proposed to be 11 feet, she asked if history demonstrates that drivers incrementally slow down when lanes widths are narrow. Mr. Thornton said he could not reference a specific report but noted that transportation engineers around the world concur that people do not feel comfortable driving fast in a narrow lane.

Councilmember Luke then noted that the newer buses will be longer so that should be accommodated in the plan. Mr. Thornton said any bus pullout would have to meet Grand Valley Transit (GVT) specifications.

Councilmember Doody asked if there would be opportunities to close the alleys. Mr. Thornton said that would be a Council decision, the Plan does not propose that.

Councilmember Doody asked if the City maintains North Avenue on behalf of CDOT through an agreement.

Public Works and Planning Director Tim Moore said the City does works closely with GVT and funding for construction of the bus pull outs has been through federal money. As far as maintenance, the City takes care of the striping, traffic lights, and signals. There was a trade proposed with CDOT, but the City decided not to go through with that proposal (North Avenue in exchange for Riverside Parkway bridges).

Councilmember Coons agreed with Councilmember Pitts; it is about time to have a vision. She has heard some discussion on the creation of a district or association. It was her understanding that the City would do some of the striping for the bike lanes, but the property owner would be responsible for landscaping.

Councilmember Susuras commented that the Plan envisions North Avenue as a destination and he thought that was a great comment.

Ordinance No. 4486—An Ordinance Adopting the Grand Junction North Avenue West Corridor Plan as an Element of the Comprehensive Plan for the Area Generally Located Along North Avenue West of 12th Street

Councilmember Susuras moved to adopt Ordinance No. 4486 and ordered it published in pamphlet form. Councilmember Coons seconded the motion. Motion carried by roll call vote.

Public Hearing – Ordinance Authorizing the Substitution of Collateral for the Sam Suplizio Field/Ralph Stocker Stadium Lease Purchase

In November 2010, the City Council approved an ordinance authorizing the lease of Sam Suplizio Field and Ralph Stocker Stadium in order to issue Certificates of Participation to provide funding for improvements to the Field and Stadium. Those improvements are currently under construction. In October, 2011, the City Council determined that it is in the best interest of the City to substitute the collateral for that lease with the City Hall building. This ordinance will authorize the execution of the appropriate documents to allow for that substitution.

The public hearing was opened at 8:35 p.m.

John Shaver, City Attorney, presented this item. He explained the purpose of the request is to replace the collateral for the Certificates of Participation (COP's) that were issued about a year ago for the improvements at the stadium. The COP's basically provided a lease/lease back agreement in order to provide funding for the improvements with the stadium as collateral. Now that minor league baseball will be a tenant at the stadium, it violates the tax exempt financing criteria. The collateral guarantees the bank that the City will make the annual payment on the financing.

Council President Kenyon further clarified that when the City entered into the financing agreement, JUCO, another non-profit, was the only tenant. Now that a for-profit entity will be using the stadium, a change had to be made to meet Internal Revenue Service (IRS) requirements.

Councilmember Luke noted that if it had been known this was to happen, the City would have likely used City Hall as collateral. City Attorney Shaver said the possibility was anticipated so a provision was included in the initial financing to allow for such a change.

Councilmember Susuras recalled that the City Attorney did offer that City Hall could be used as collateral when the City issued the COP's last year.

Councilmember Doody asked how much City Hall appraised for. City Attorney Shaver said one appraisal came in at \$7.5 million. The City's appraiser included use value and appraised the building at \$8.1 million. \$7.7 million is the amount of collateral needed, so the City will make its annual payment and then hold some cash for the difference.

Councilmember Susuras asked for confirmation that the City Council has the authority by the Charter to do this. City Attorney Shaver responded affirmatively.

There were no public comments.

The public hearing was closed at 8:44 p.m.

Ordinance No. 4487—An Ordinance Authorizing the Execution and Delivery of a First Amendment to Ground and Improvement Lease Agreement, a First Amendment to Lease Purchase Agreement, an Escrow Agreement, and Related Documents by the City; and Providing for Other Matters Relating Thereto

Councilmember Susuras moved to adopt Ordinance No. 4487 and ordered it published in pamphlet form. Councilmember Luke seconded the motion. Motion carried by roll call vote.

Non-Scheduled Citizens & Visitors

There were none.

Other Business

There was none.

Adjournment

The meeting was adjourned at 8:45 p.m.

Stephanie Tuin, MMC
City Clerk



Attach 2
Setting a Hearing Zoning the Banner Enclave Annexation, Located at 2977 and 2979 Gunnison Ave

CITY COUNCIL AGENDA ITEM

Date: October 31, 2011
Author: Brian Rusche
Title/ Phone Ext:
Senior Planner x. 4058
Proposed Schedule: 1st Reading;
Monday, November 14, 2011
2nd Reading
(if applicable): Wednesday, December 7,
2011
File #: ANX-2011-1124

Subject: Zoning the Banner Enclave Annexation, Located at 2977 and 2979 Gunnison Avenue
Action Requested/Recommendation: Introduce a Proposed Ordinance and Set a Public Hearing for December 7, 2011.
Presenters Name & Title: Brian Rusche, Senior Planner

Executive Summary: A request to zone the Banner Enclave Annexation, located at 2977 and 2979 Gunnison Avenue, which consists of two (2) parcels, to an I-1 (Light Industrial) zone district.

Background, Analysis and Options:

The 1.674 acre Banner Enclave was created by the Cal Frac Annexation on January 21, 2007. The property is fenced and appears to be used for storage of construction trailers, solid waste containers, and miscellaneous construction equipment and materials. It is zoned County I-2 (General Industrial).

Under the 1998 Persigo Agreement with Mesa County and Section 21.02.160 of the Grand Junction Municipal Code (GJMC), land annexed to the City shall be zoned in accordance with GJMC Section 21.02.140 to a district that is consistent with the adopted Comprehensive Plan or consistent with the current County zoning. The proposed zoning of I-1 (Light Industrial) conforms to the Comprehensive Plan – Future Land Use Map designation of Commercial/Industrial.

The review criteria in Section 21.02.140 of the Grand Junction Municipal Code have all been met. See attached Staff Report/Background Information for additional detail.

How this item relates to the Comprehensive Plan Goals and Policies:

Goal 12: Being a regional provider of goods and services the City and County will sustain, develop, and enhance a healthy, diverse economy.

The proposed zoning meets Goal 12 by providing an opportunity for new development in an existing industrial area.

Board or Committee Recommendation: On November 8, 2011 the Planning Commission forwarded a recommendation of approval of the I-1 (Light Industrial) zone district.

Financial Impact/Budget: There are none.

Legal issues: The property is currently being used for outdoor storage; however, no permits were found with Mesa County indicating their approval of this use. Upon annexation, it is anticipated that any use of the property must meet the standards of the City of Grand Junction; therefore, the present outdoor storage may not be “grandfathered.”

Other issues: There are none.

Previously presented or discussed: A Resolution of Intent to Annex was adopted on October 17, 2011.

Attachments:

1. Staff report/Background information
2. Annexation Map
3. Aerial Photo
4. Future Land Use Map
5. Existing City Zoning Map
6. Existing County Zoning Map
7. Zoning Ordinance

STAFF REPORT / BACKGROUND INFORMATION

Location:		2977 and 2979 Gunnison Avenue		
Applicants:		City of Grand Junction		
Existing Land Use:		Undeveloped		
Proposed Land Use:		Industrial		
Surrounding Land Use:	North	Industrial		
	South	Undeveloped		
	East	Industrial		
	West	Undeveloped		
Existing Zoning:		County I-2 (General Industrial)		
Proposed Zoning:		I-1 (Light Industrial)		
Surrounding Zoning:	North	I-1 (Light Industrial)		
	South	R-8 (Residential 8 du/ac)		
	East	I-1 (Light Industrial)		
	West	I-1 (Light Industrial)		
Future Land Use Designation:		Commercial / Industrial		
Zoning within density range?	X	Yes		No

ANALYSIS:

1. Background:

The 1.674 acre Banner Enclave Annexation consists of two (2) parcels, located at 2977 and 2979 Gunnison Avenue. The Banner Enclave was created by the Cal Frac Annexation on January 21, 2007. The property is fenced and appears to be used for storage of construction trailers, solid waste containers, and miscellaneous construction equipment and materials. It is zoned County I-2 (General Industrial). Refer to the County Zoning Map included in this report.

The enclave is designated as Commercial/Industrial by the Comprehensive Plan - Future Land Use Map and allows “Heavy Commercial, offices and light industrial uses with outdoor storage, with some outdoor operations (e.g., office/warehouse uses, auto sales, auto repair shops, lumber yards, light manufacturing, oil and gas businesses)” (Comprehensive Plan Page 35).

Under the 1998 Persigo Agreement with Mesa County, the City has agreed to zone newly annexed areas using either the current County zoning or a zoning which conforms to the Comprehensive Plan. The proposed zoning of I-1 (Light Industrial) conforms to the Comprehensive Plan – Future Land Use Map designation of Commercial/Industrial.

2. Grand Junction Municipal Code – Chapter 21.02 – Administration and Procedures:

Section 21.02.160 of the Grand Junction Municipal Code states: Land annexed to the City shall be zoned in accordance with GJMC Section 21.02.140 to a district that is consistent with the adopted Comprehensive Plan and the criteria set forth.

The requested zone of annexation to an I-1 (Light Industrial) zone district is consistent with the Comprehensive Plan – Future Land Use Map designation of Commercial/Industrial.

Section 21.02.140(a) states: In order to maintain internal consistency between this code and the zoning maps, map amendments must only occur if:

- 1) Subsequent events have invalidated the original premises and findings; and/or

Response: The subject area has been enclaved by the City of Grand Junction for five (5) years and is in the process of annexation.

The City and County adopted a joint Comprehensive Plan in 2010 for land within the Urban Development Area. The plan anticipates Commercial/Industrial as future land uses for the subject properties. This classification was originally established with the 1996 Growth Plan and affirmed with the Pear Park Plan, as amended in 2005. However, the existing County zoning of I-2 (General Industrial) conflicts with this designation. All recently annexed properties within this subdivision along with the adjacent Cal Frac property have been zoned I-1 (Light Industrial).

Therefore, the proposed zoning of I-1 is in furtherance of Goal #1 of the Comprehensive Plan: To implement the Comprehensive Plan in a consistent manner between the City, Mesa County, and other service providers.

- 2) The character and/or condition of the area has changed such that the amendment is consistent with the Plan; and/or

Response: The property is part of the Banner Industrial Park, platted in 1978. Lots on the western end of the subdivision were developed after the 1998 Persigo Agreement and were, therefore, annexed into the City of Grand Junction pursuant to that agreement. The undeveloped land to the west of the subject property was annexed in 2007 in anticipation of future development by Cal Frac, which has not yet occurred. That annexation, however, created an enclave of two lots (Lots 5 and 6).

The property is currently being used for outdoor storage; however, no permits were found with Mesa County indicating their approval of this use. Therefore, upon annexation, it is anticipated that any use of the property must meet the standards of the City of Grand Junction and the present outdoor storage may not be “grandfathered.”

- 3) Public and community facilities are adequate to serve the type and scope of land use proposed; and/or

Response: The Banner Industrial Park is already served by public utilities, including sanitary sewer, domestic water, irrigation water, electric, gas, telecommunications, streets, etc. Extensions of these services to future development would be concurrent with that development. The City already provides services, such as police and fire protection, to the lots surrounding the enclaved area.

Gunnison Avenue is designated as a Minor Collector, which intersects with 30 Road, which is designated as a Minor Arterial, which intersects with the I-70 Business Loop approximately 0.5 miles from the enclaved property. Access to transportation routes is important to potential commercial/industrial land uses.

- 4) An inadequate supply of suitably designated land is available in the community, as defined by the presiding body, to accommodate the proposed land use; and/or

Response: The I-1 zone district is the predominant zoning designation of the adjacent properties. With the exception of the Cal Frac property that has not yet developed, there are no other similarly designated lands available for development east of 29 Road.

Therefore, the proposed zoning is in furtherance of Policy A of Goal #12 of the Comprehensive Plan: The City and County will provide appropriate commercial and industrial development opportunities.

- 5) The community or area, as defined by the presiding body, will derive benefits from the proposed amendment.

Response: The annexation of enclaved areas is critical to providing efficient urban services. The proposed zoning designation will ensure a consistent set of development standards in anticipation of future development.

Alternatives: The following zone districts would also be consistent with the Comprehensive Plan – Future Land Use Map designation of Commercial/Industrial:

1. C-2 (General Commercial)
2. MU (Mixed Use)
3. BP (Business Park Mixed Use)
4. I-O (Industrial/Office Park)

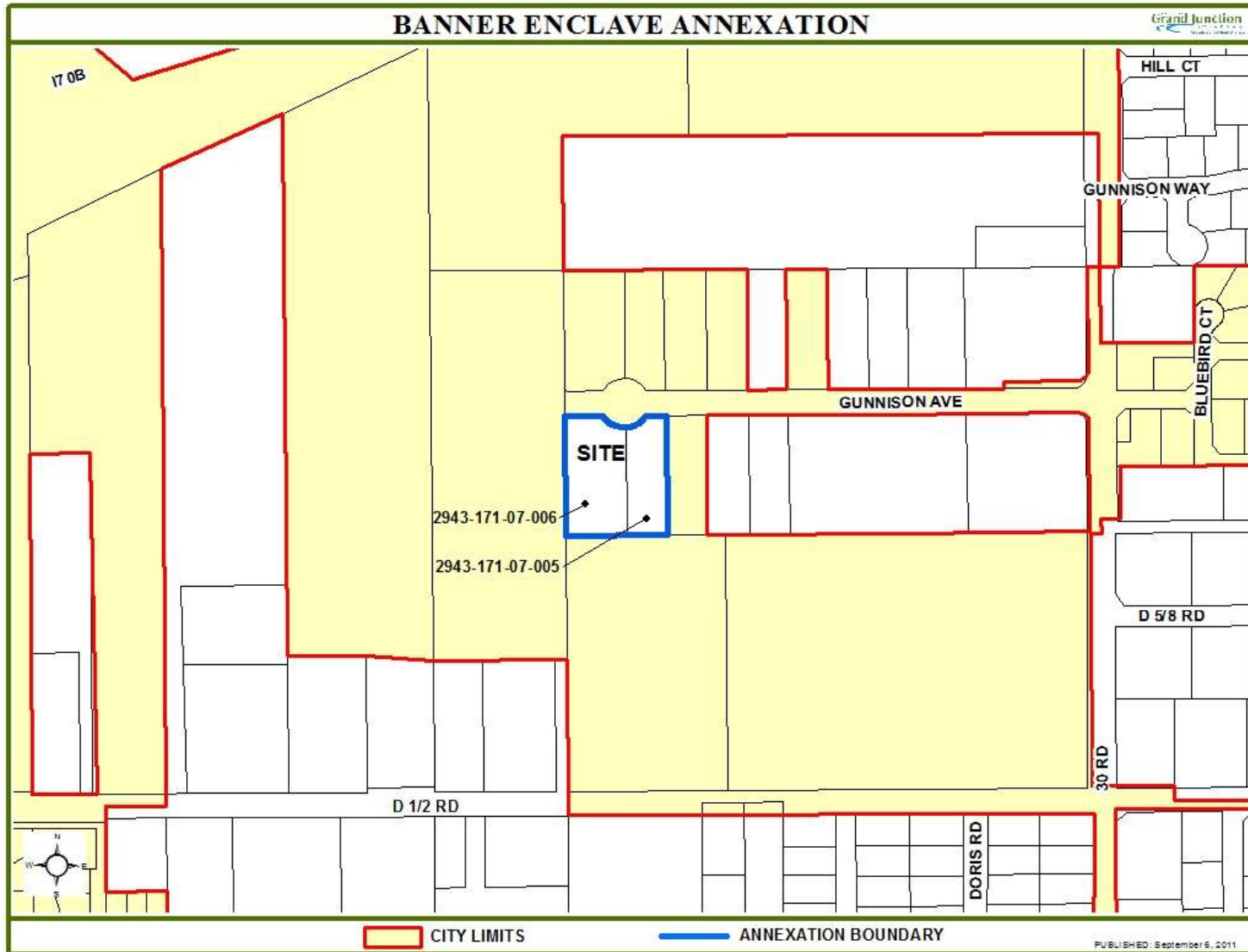
PLANNING COMMISSION RECOMMENDATION:

After reviewing the Banner Enclave Annexation, ANX-2011-1124, for a Zone of Annexation, the Planning Commission made the following findings of fact and conclusions:

1. The I-1 (Light Industrial) zone district is consistent with the goals and policies of the Comprehensive Plan.
2. The review criteria in Section 21.02.140 of the Grand Junction Municipal Code have all been met.

If the Council chooses to not approve the request and instead approves one of the alternative zone designations, specific alternative findings must be made as to why the Council is approving an alternative zone designation.

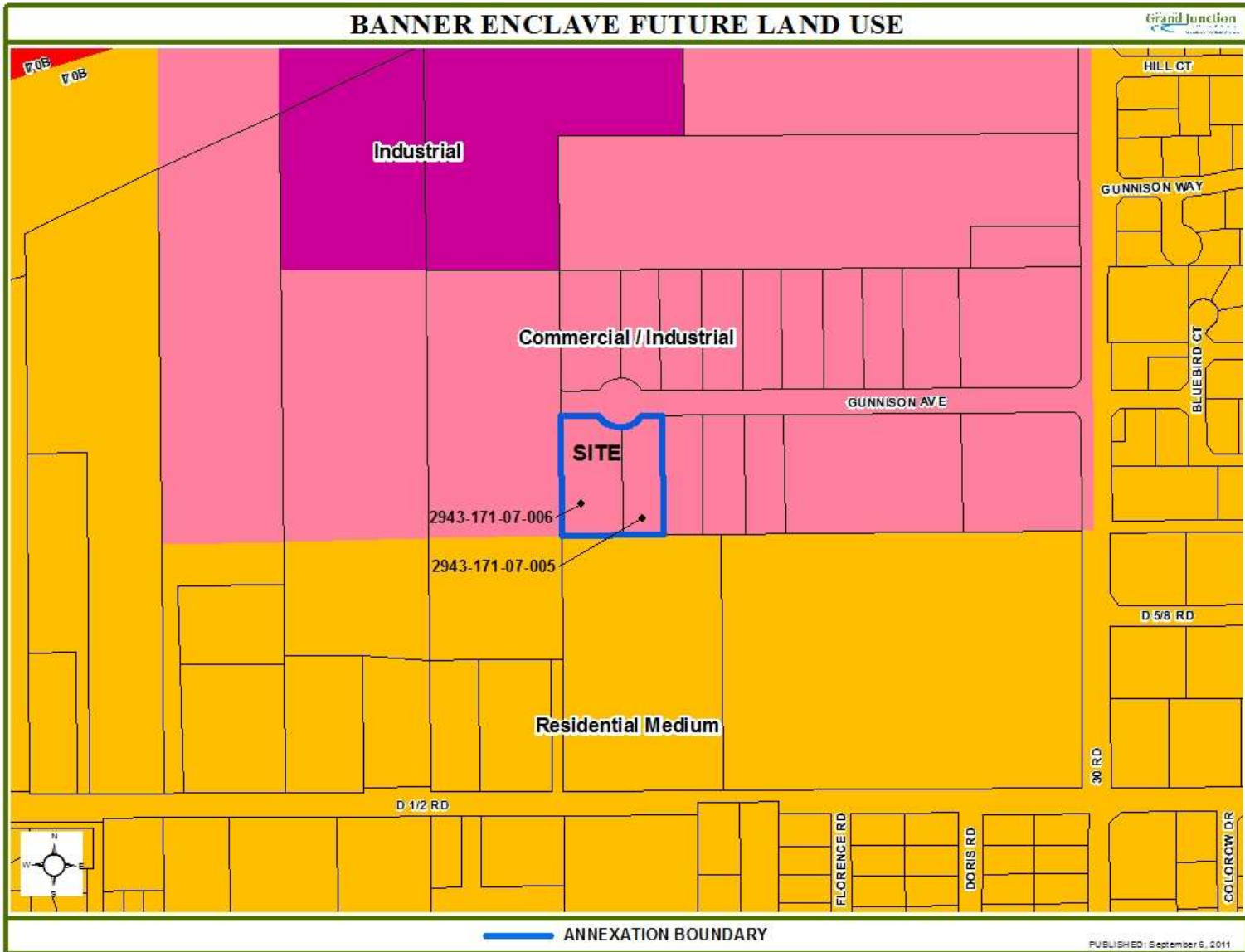
ANNEXATION MAP



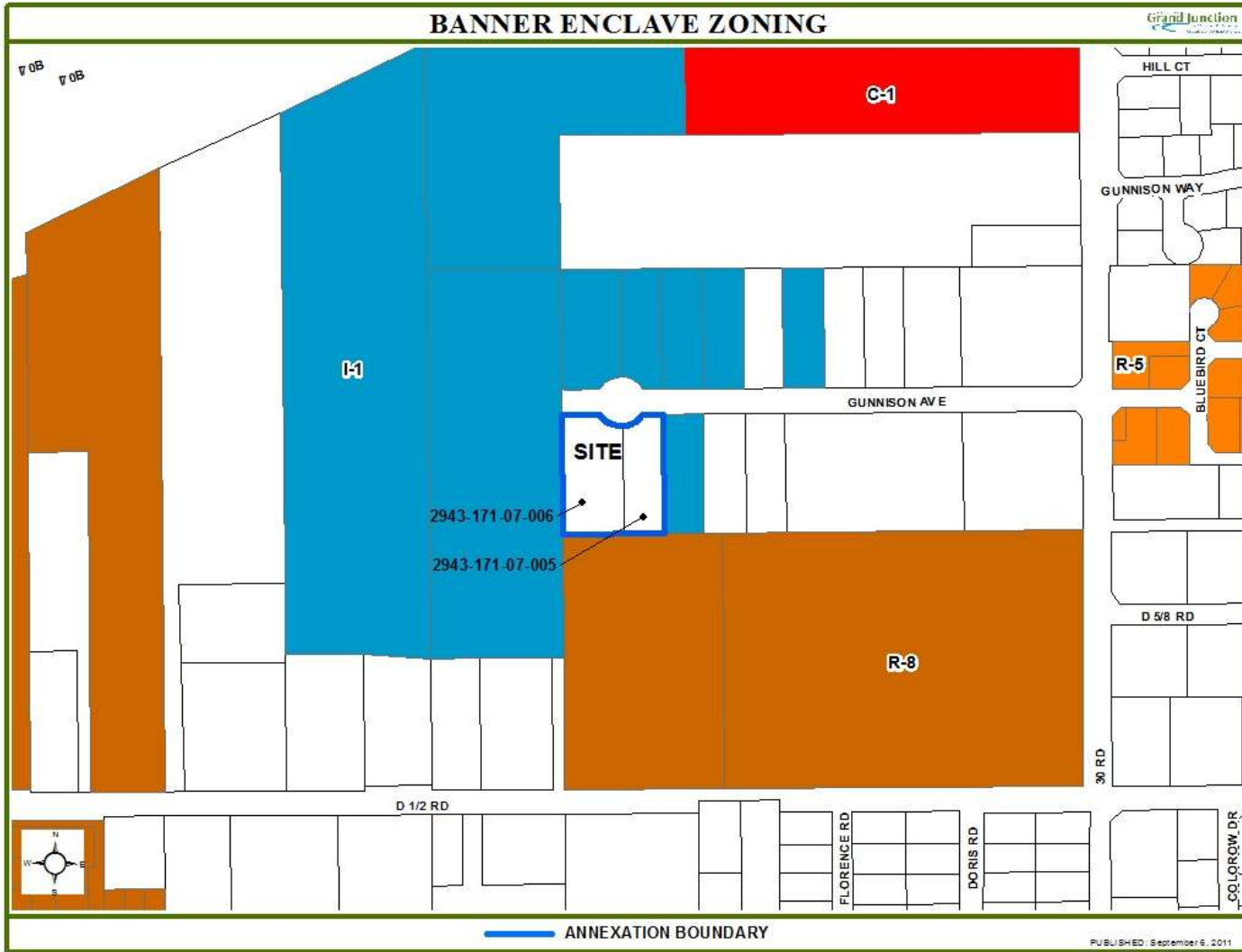
AERIAL PHOTO



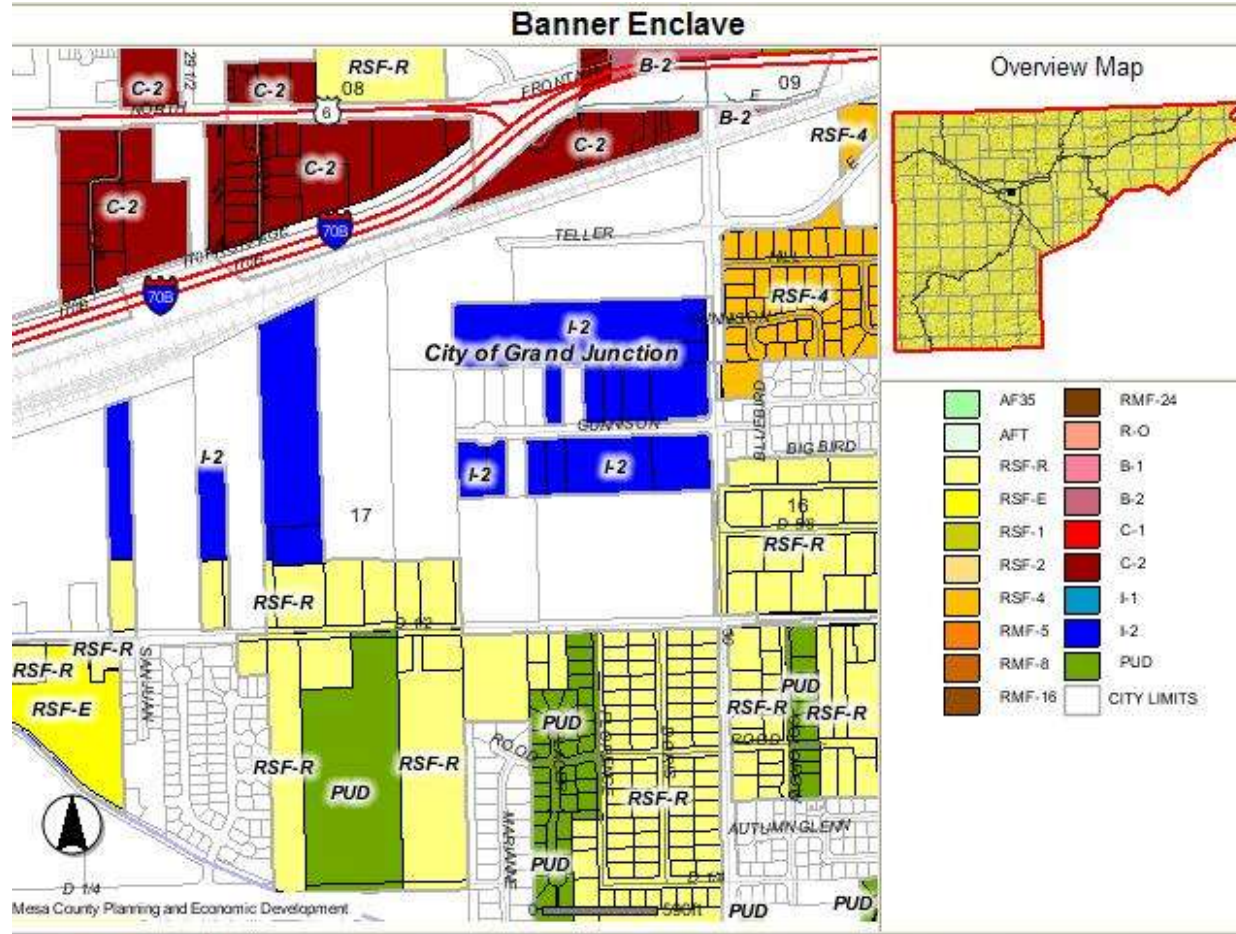
FUTURE LAND USE MAP



EXISTING CITY ZONING MAP



EXISTING COUNTY ZONING MAP



Mesa County Planning and Economic Development

750 Main Street
 Grand Junction, Colorado 81502-5022
 970-244-1636

Map Updated: February 11, 2009

CITY OF GRAND JUNCTION, COLORADO

ORDINANCE NO.

AN ORDINANCE ZONING THE

BANNER ENCLAVE ANNEXATION

TO I-1 (LIGHT INDUSTRIAL)

LOCATED AT 2977 AND 2979 GUNNISON AVENUE

Recitals

After public notice and public hearing as required by the Grand Junction Municipal Code, the Grand Junction Planning Commission recommended approval of zoning the Banner Enclave Annexation to the I-1 (Light Industrial) zone district, finding conformance with the recommended land use category as shown on the Future Land Use map of the Comprehensive Plan and the Comprehensive Plan's goals and policies and is compatible with land uses located in the surrounding area. The zone district meets the criteria found in Section 21.02.140 of the Grand Junction Municipal Code.

After public notice and public hearing before the Grand Junction City Council, City Council finds that the I-1 (Light Industrial) zone district is in conformance with the stated criteria of Section 21.02.140 of the Grand Junction Municipal Code.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION THAT:

The following property be zoned I-1 (Light Industrial):

BANNER ENCLAVE ANNEXATION

A certain parcel of land lying in the Southeast Quarter of the Northeast Quarter (SE 1/4 NE 1/4) of Section 17, Township 1 South, Range 1 East of the Ute Principal Meridian, County of Mesa, State of Colorado and being more particularly described as follows:

Lots 5 and 6, Plat of Banner Industrial Park, as same is recorded in Plat Book 11, Page 362, Public Records of Mesa County, Colorado and that certain portion of right of way for Gunnison Avenue, as same is recorded in Book 4477, Pages 928 through 930, inclusive, Public Records of Mesa County, Colorado, all being bounded on the West by the Calfrac Annexation, City of Grand Junction Ordinance No. 4010, as same is recorded in Book 4323, Page 369; bounded on the South by Isre Annexation #2, City of Grand Junction Ordinance No. 3464, as same is recorded in Book 3202, Page 628; bounded on the East by Gunn Annexations No.'s 1 and 2, City of Grand Junction

Ordinance No.'s 3404 and 3405, as same are recorded in Book 3061, Pages 516 and 517; bounded on the North by the Hubbartt Annexation, City of Grand Junction Ordinance No. 3515, as same is recorded in Book 3337, Page 167 and by Miller Annexation No. 3, City of Grand Junction Ordinance No. 3245, as same is recorded in Book 2710, Page 553, all in the Public Records of Mesa County, Colorado.

CONTAINING 72,902 Square Feet or 1.674 Acres, more or less, as described.

LESS 128 square feet (0.003 acres) of public right-of-way

INTRODUCED on first reading the ____ day of _____, 2011 and ordered published in pamphlet form.

PASSED and ADOPTED on second reading the ____ day of _____, 2011 and ordered published in pamphlet form.

ATTEST:

President of the Council

City Clerk



Date: October 12, 2011

Author: Stephanie Tuin/Jodi Romero

Title/ Phone Ext: City Clerk/Financial
Operations Manager

Proposed Schedule: 1st reading
November 14, 2011

2nd Reading

(if applicable): December 7, 2011

File # (if applicable): _____

Attach 3

Setting a Hearing on an Ordinance Authorizing the Refunding of a Portion of the General Fund Revenue Bonds, Series 2004 and Issuing Series 2011

CITY COUNCIL AGENDA ITEM

Subject: Setting a Hearing on an Ordinance Authorizing the Refunding of a Portion of the General Fund Revenue Bonds, Series 2004, and Issuing Series 2012 Refunding Bonds
Action Requested/Recommendation: Introduce a Proposed Ordinance and Set a Hearing for December 7, 2011. Authorize the City Manager to Sign a Contract with RBC Capital Markets, LLC for the Underwriting if the Ordinance is Adopted at Second Reading.
Presenter(s) Name & Title: Laurie Kadrich, City Manager Jodi Romero, Financial Operations Manager

Executive Summary:

In an effort to maximize the use of existing resources and capitalize on the current municipal bond market, with historically low interest rates, staff has worked with financial advisors and legal counsel to bring forth to City Council a potential refinancing of the 2004 Riverside Parkway Bonds (“2004 bonds”). After initial discussions with Council and at their request additional options were considered and brought back for further evaluation including three non-refinancing options. At the October 31st budget workshop, after reviewing six options, the City Council directed staff to move forward with refinancing the 2004 bonds using the proceeds from lower interest 2012 bonds as well as the \$19 million in TABOR dollars that have been saved since the voters’ authorization in 2007. This refinancing transaction, which includes using the TABOR early debt retirement reserve, is estimated to save the City a total of \$7.3 million dollars in interest costs, as well as make another \$14 million in existing dollars available between 2012 and 2021 because the annual debt service payment would be lower.

Background, Analysis and Options:

In November of 2003 the voters authorized the City to increase debt by \$80 million for the “purpose of accelerating and completing road improvements” for the Riverside Parkway. In 2004 the City issued \$57 million par in bonds (2004 bonds) and an additional \$23 million par bonds in 2007 (“2007 bonds”). The 2007 bonds were shorter term and will be paid off in 2013. The 2004 bonds, maturing on March 1, 2015, and

thereafter, are subject to early payment (call) at the option of the City, in whole or in part.

In April of 2007 the voters authorized the City to retain excess TABOR revenues “to be used for payment of the Riverside Parkway debt.” Since that time and pursuant to City Council Resolution No. 13-07, the City has been setting aside the excess revenues to be used to pay off the bonds at the earliest possible date. After this year’s transfer to the early debt retirement fund (“TABOR savings account”), there will be \$19 million accumulated in that fund.

At this time because of decreasing property values, lower interest earnings and less growth it is estimated that it will be 2019 before enough excess TABOR dollars have been accumulated to retire the outstanding principal (original early payoff plan). This correspondingly lowers the estimated interest savings to \$4.8 million. Originally it was estimated the 2004 bonds could be paid off as early as 2016 which would have resulted in over \$10 million in savings.

The 2004 bond covenants allow for a one-time advanced refunding (refinancing), and because of the current favorable market conditions, staff began watching and evaluating refinancing options last month. At the October 17th budget workshop staff presented a refinancing option that maximized the availability of existing resources and made the best use of the TABOR savings account. Because of City Council’s desire to seek public input, they called for a public open house to be advertised and announced at the October 19th Council meeting and for an on-line survey to be conducted. The open house was held on October 26th. During the open house, additional ideas were discussed and Council directed staff to bring back more options to the October 31st budget workshop. City Council also requested staff to get quotes on underwriting services for a potential re-financing. The City did a request for quotes for underwriting services and received 5 qualified responses. The staff’s recommendation to City Council is to contract with RBC Capital Markets, LLC who quoted the lowest cost for combined underwriting and issuance costs. This recommendation was discussed with Council at the November 2nd pre-meeting.

A total of six options were presented to Council at the October 31st budget workshop; three that required no re-financing but different ways to retire the debt in the future with the TABOR savings account; and three that used current TABOR savings to pay-down the debt now and re-finance with different call dates and use of future TABOR excess revenues and available resources to pay off that debt early. The three re-financing options resulted in different interest costs, interest savings, and cash flow. After reviewing the options, City Council directed staff to proceed with the option described next.

Re-issue 2012 bonds and use those proceeds combined with the \$19 million in the TABOR savings account to pay off the outstanding 2004 bonds by placing the necessary funds in escrow. The escrow agent would then continue paying the current bond holders as scheduled until the call date of 2015. The 2012 bonds with a par value of \$33 million (call date of 2021) are estimated to have an interest cost ranging from 2.7% to 2.9% (dependent on market) compared to a 4.78% interest cost on the existing 2004 bonds. This would result in a lower payment, more current funds available, and a

\$2.45 million increase in interest savings above and beyond the savings that would be achieved with the original early payoff plan.

A summary comparison between the original early payoff plan and the recommended option is provided in the financial impact/budget section below.

How this item relates to the Comprehensive Plan Goals and Policies:

This transaction will make available existing resources to apply toward meeting the City's Comprehensive Plan goals.

Board or Committee Recommendation:

N/A

Financial Impact/Budget:

General Fund Revenue Bonds Series 2004

Issue Date:	March 1, 2004
Par Value:	\$57 million
Payoff:	March 1, 2024
Early Payoff/Call Date:	March 1, 2015
Interest Rate:	4.78%
Amount Outstanding:	\$53 million
Projected Savings	\$4.8 million

General Fund Advance Refunding Bonds Series 2012-*Estimates as of 11/8/11*

Issue Date:	January 15, 2011
Par Value:	\$33 million*
Payoff:	March 1, 2024
Early Payoff/Call Date:	September 1, 2021
Interest Rate:	2.89%**
Projected Savings	\$7.3 million

*Assumes a \$19 million payment of the TABOR excess reserve toward defeasance of the 2004 bonds.

**Indicative rate as of 11/8/11. Interest rate is inclusive of issuance costs.

Legal issues:

Based on and because of the voter's approval in 2003 and 2007 the City may now lawfully, in accordance with the bond documents, exercise a one-time advance refunding of the debt. That refunding, which will be authorized by this action, will provide a lower interest rate during the term of the bonds.

Other issues:

N/A

Previously presented or discussed:

The potential refinancing and options were presented and discussed with City Council at the budget workshops on October 17th, 19th, and 31st, as well as the November 2nd pre-meeting. A public open house on the topic was announced at the October 19th City Council meeting during a City Manager's report and then was held on October 26th with 4 Council Members attending.

Attachments:

Proposed Ordinance
Bond Purchase Agreement and Accompanying Disclosures

ORDINANCE NO. ____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF GRAND JUNCTION, COLORADO, GENERAL FUND REVENUE REFUNDING BONDS, SERIES 2012, FOR THE PURPOSE OF REFUNDING ALL OR ANY PORTION OF THE CITY'S GENERAL FUND REVENUE BONDS, SERIES 2004, AND PLEDGING CERTAIN REVENUES OF THE CITY FOR THE PAYMENT OF THE BONDS.

BE IT ORDAINED BY THE 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.

Additional Bonds means the one or more series of bonds or other securities or obligations authorized to be issued by the City pursuant to Section 21 or 22 hereof and having a lien on the Pledged Sales and Use Tax Revenues on a parity with the lien thereon of the Bonds.

Additional Pledged Revenues has the meaning set forth in Section 21.A hereof.

Bond Account means the account by that name created by the 2004 Ordinance and continued in Section 18.A hereof.

Bond Purchase Agreement means the Bond Purchase Agreement between the City and the Underwriter relating to the Underwriter's purchase of the 2012 Bonds.

Bonds means the Outstanding 2004 Bonds, if any, the Outstanding 2007 Bonds, the Outstanding 2012 Bonds, and, where applicable, any Additional Bonds.

Business Day means a day on which banks located in the City and 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.

Charter means the home rule Charter of the City, including all amendments thereto prior to the date hereof, adopted pursuant to Article XX of the Constitution of the State.

City means the City of Grand Junction, Colorado.

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

Closing Date means the date of delivery of and payment for the 2012 Bonds.

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

Continuing Disclosure Certificate means the undertaking executed by officers of the City simultaneously with the delivery of the 2012 Bonds which enables the Underwriter to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission.

C.R.S. means the Colorado Revised Statutes, as amended.

Election means the City's election held on November 4, 2003.

Escrow Account means the separate account created and maintained under the Escrow Agreement for payment of the Refunded Bond Requirements.

Escrow Agreement means the Escrow Agreement between the City and the Escrow Bank, dated the Closing Date.

Escrow Bank means UMB Bank, n.a., Denver, Colorado, acting as escrow agent pursuant to the Escrow Agreement, or any successor.

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

General Fund means the General Fund of the City.

Governmental Obligations means any of the following which are noncallable and which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

direct general obligations of, or obligations the payment of principal of and interest on which are unconditionally guaranteed by, the United States of America;

bonds, debentures, notes, or other evidences of indebtedness issued by the Export-Import Bank of the United States, the Federal Financing Bank, the

Farmers Home Administration, the General Services Administration, the U.S. Maritime Administration, or the U.S. Department of Housing and Urban Development; or

evidences of ownership interests in obligations described in paragraph (i) or (ii) above.

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

Ordinance means this Ordinance of the City, which provides for the issuance and delivery of the 2012 Bonds.

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

Bonds theretofore cancelled by the City, Registrar or Paying Agent, or surrendered to the City, Registrar or Paying Agent for cancellation;

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

Bonds deemed to have been paid as provided in Section 24 hereof or any similar provision of an ordinance authorizing the issuance of Additional Bonds.

For purposes of this definition, the terms Registrar and Paying Agent shall include a registrar or paying agent for any Additional Bonds.

Owner or Registered Owner means the Registered Owner of any 2012 Bond as shown on the registration books kept by the Registrar, and, where the context so requires, the Registered Owner of any Additional Bond as shown on the registration books kept by the registrar for such bonds.

Paying Agent means Zions First National Bank, Denver, Colorado, being the agent for the City for the payment of the 2012 Bonds and interest thereon, or its successors and assigns.

Permitted Investment means any investment or deposit permitted by the Charter and ordinances of the City.

Person means 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.

Pledged Revenues means:

the revenues derived from the Pledged Sales and Use Tax;

all other additional monies deposited into the City's General Fund which are not by law, by contract, or otherwise restricted or required to be used for another purpose and are legally available for payment of the principal of and interest on the 2012 Bonds, provided however, that the Pledged Revenues shall not include monies deposited to the General Fund which are the proceeds of any increase in any existing tax and/or any new tax, unless such pledge is expressly authorized by the City's electors at an election called for such purpose;

any additional funds or revenues which the City hereafter pledges to the payment of the 2012 Bonds;

proceeds of the 2012 Bonds or other legally available moneys deposited into and held in the Bond Account; and

interest or investment income on the Bond Account;

all to the extent that such moneys are at any time required by Section 18 hereof to be deposited into and held in the Bond Account.

Pledged Sales and Use Tax means the proceeds of the Sales and Use Tax. "Pledged Sales and Use Tax" does not include amounts withheld by retailers and vendors to cover their expenses in collecting and remitting the Pledged Sales and Use Tax, and Pledged Sales and Use Tax does not include amounts collected by the City and subsequently determined, pursuant to the applicable Sales and Use Tax Ordinances, to be subject to valid claims for refunds. "Pledged Sales and Use Tax" does not include the proceeds of any increase in the Sales and Use Tax which may be approved in the future, unless such increase is expressly pledged by the City. "Pledged Sales and Use Tax" does include the proceeds derived by the City from any legally available tax or taxes or fees (other than a general ad valorem tax) which replace or

supersede the Pledged Sales and Use Tax, regardless of whether such tax or taxes or fees are imposed by the City or the State or other political subdivision thereof. “Pledged Sales and Use Tax” does not include incremental sales taxes which are pledged to the payment of obligations issued pursuant to an urban renewal plan as defined in Section 31-25-103(9), C.R.S., a plan of development as defined in Section 31-25-802(6.4), C.R.S., or a value capture plan as defined in Section 43-4-508, C.R.S.

Pledged Sales and Use Tax Revenues means revenues derived from the Pledged Sales and Use Tax.

Rebate Account means the account by that name created by the 2004 Ordinance and continued in Section 18.C hereof.

Redemption Date means March 1, 2014.

Refunded Bond Requirements means the payment of (i) the interest due on the Refunded Bonds, both accrued and not accrued, as the same become due on and after the date of delivery of the 2012 Bonds and on and before maturity or prior redemption on the Redemption Date; and (ii) the principal of the Refunded Bonds upon maturity or prior redemption on the Redemption Date, with no prior redemption premium.

Refunded Bonds means any of the 2004 Bonds set forth in the Sale Certificate.

Refunding Project means the payment of the Refunded Bond Requirements and the payment of the costs of issuing the 2012 Bonds.

Registrar means Zions First National Bank, Denver, Colorado, being the agent for the City for the registration, transfer and exchange of the 2012 Bonds, or its successors.

Registrar Agreement means the Registrar Agreement between the City and the Registrar, dated the Closing Date.

Regular Record Date means the fifteenth day of the calendar month next preceding each interest payment date for the 2012 Bonds (other than a special interest payment date hereafter fixed for the payment of defaulted interest).

Sale Certificate means the certificate of the City authorized pursuant to the Supplemental Public Securities Act and described in Section 5 hereof.

Sales and Use Tax means the 2.75% tax upon the sale and use of goods and services which is being levied by the City pursuant to the Sales and Use Tax Ordinances and any

future or amended tax levied by the City as a sales and use tax and pledged by the City Council to the payment of the Bonds.

Sales and Use Tax Ordinances means the ordinances adopted by the City Council of the City for the purpose of adopting and enforcing the Sales and Use Tax and which are in effect on the date of this Ordinance and as amended by this Ordinance or as later amended or supplemented.

Special Record Date means 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 means the State of Colorado.

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

Tax Code means the Internal Revenue Code of 1986, as amended to the date of delivery of the 2012 Bonds, and the regulations promulgated thereunder.

Term Bonds means the 2012 Bonds that are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such 2012 Bonds on or before their specified maturity dates.

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

Underwriter means RBC Capital Markets, LLC.

2004 Bonds means the City's currently Outstanding General Fund Revenue Bonds, Series 2004.

2004 Ordinance means Ordinance No. 3595 adopted by the City Council on January 21, 2004, authorizing the issuance of the 2004 Bonds.

2007 Bonds means the City's currently Outstanding General Fund Revenue Bonds, Series 2007.

2007 Ordinance means Ordinance No. 4015 adopted by the City Council on January 17, 2007.

2012 Bonds means the City's General Fund Revenue Refunding Bonds, Series 2012, issued pursuant to this Ordinance.

Recitals.

The City is a municipal corporation duly organized and existing under the Charter.

The City has heretofore issued the 2004 Bonds pursuant to the authority granted by the Charter, Article X, Section 20 of the Colorado Constitution (“TABOR”), and the Election.

The City is not delinquent in the payment of any of the principal of or interest on the 2004 Bonds.

The City Council hereby determines that the interest of the City and the public interest and necessity require the refunding, paying and discharging of the Refunded Bonds and the issuance of the 2012 Bonds.

The notice delivered to voters at the Election (the “Election Notice”) as required by TABOR limits the issuance of bonds authorized at the Election as follows:

Principal Amount of Proposed Bonds:	Not to exceed \$80,000,000
Maximum Annual City Repayment Cost	Not to exceed \$7,500,000
Total City Repayment Cost:	Not to exceed \$134,000,000

Pursuant to TABOR, the 2012 Bonds may be issued without an election if they are issued at a lower interest rate than the Refunded Bonds.

The 2007 Bonds and the 2004 Bonds were issued pursuant to Article X, Section 20 of the Colorado Constitution (“TABOR”) and the Election for an aggregate principal amount equaling the aggregate principal amount of indebtedness authorized by the Election. Consequently, the aggregate principal amount of the 2012 Bonds may not exceed the aggregate principal amount of the Refunded Bonds.

The 2004 Ordinance and the 2007 Ordinance (collectively, the “Prior Ordinances”) permit refunding obligations to be issued if 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 Sales and Use Tax Revenues is not raised to a higher priority than the lien thereon of any Bonds thereby refunded (collectively, the “Refunding Limitations”).

The City Council hereby finds and determines that, provided the 2012 Bonds are sold within the parameters and restrictions contained in Section 5 of this Ordinance, the 2012 Bonds: (i) will not be issued in an aggregate principal amount that exceeds the aggregate

principal amount of the Refunded Bonds; (ii) will be issued at a lower interest rate than the Refunded Bonds; (iii) will not cause the City to exceed the Refunding Limitations imposed by the Prior Ordinances; and (iv) will not cause the City to exceed the total repayment cost and maximum annual repayment cost authorized by the Election (taking into consideration, as applicable, all prior payments on bonds authorized by the Election).

The Refunded Bonds will be called for redemption prior to maturity on the Redemption Date at a price equal to the principal amount so redeemed plus accrued interest to the Redemption Date.

Except for the 2004 Bonds and the 2007 Bonds, the City has never pledged the Sales and Use Tax to the payment of any bonds or for any purpose.

There have been filed with the City Clerk the proposed forms of the following documents: the Bond Purchase Agreement, the Continuing Disclosure Certificate, the Escrow Agreement, and the Registrar Agreement.

The City Council desires to cause the 2012 Bonds to be issued pursuant to its powers as a home rule City under the Charter, 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.

Ratification. All actions heretofore taken (not inconsistent with the provisions of this Ordinance) by the City Council and the other officers of the City directed toward (i) the imposition and collection of the Sales and Use Tax, (ii) the effecting of the Refunding Project, and (iii) the selling and issuing of the 2012 Bonds are hereby ratified, approved and confirmed.

Authority for Ordinance; Authorization of the 2012 Bonds.

A. This Ordinance is adopted by virtue of the City's powers as a home rule city reorganized and operating pursuant to Article XX of the State Constitution and the Charter thereunder and pursuant to their provisions. Pursuant to Article XX of the State Constitution and the Charter, all statutes of the State which might otherwise apply in connection with the Refunding Project or the 2012 Bonds are hereby superseded, other than the Supplemental Public Securities Act.

B. There are hereby authorized to be issued fully registered general fund revenue securities of the City, to be designated "City of Grand Junction, Colorado, General Fund

Revenue Refunding Bonds, Series 2012,” to be payable and collectible, as to principal and interest, from the Pledged Revenues.

Election to Apply Supplemental Public Securities Act to the 2012 Bonds.

Pursuant to Section 11-57-204 of the Supplemental Public Securities Act, the City Council hereby elects to apply the Supplemental Public Securities Act in its entirety to the 2012 Bonds. Pursuant to such election and Section 11-57-205 of the Supplemental Public Securities Act, the City Council hereby delegates to the City Manager or the Financial Operations Manager the power to make the following determinations with respect to the 2012 Bonds and the Refunding Project, without any requirement that the City Council approve such determinations, subject to the parameters and restrictions contained in this Ordinance:

Refunded Bonds: The 2004 Bonds to be refunded, if any (i.e., the Refunded Bonds).

Principal Amount. The aggregate principal amount of the 2012 Bonds; provided that such principal amount shall not exceed the aggregate principal amount of the Refunded Bonds.

Interest Rate. The rates of interest per annum to be borne by the 2012 Bonds; provided that the net effective interest rate on the 2012 Bonds is lower than the net effective interest rate on the Refunded Bonds.

First Interest Payment Date. The first interest payment date for the 2012 Bonds.

Maturity Schedule. The amount of principal of the 2012 Bonds maturing on March 1 of any particular year (including any principal maturing on Term Bonds as a consequence of any mandatory sinking fund redemption); provided that the final maturity of the 2012 Bonds shall not be later than March 1, 2024.

Optional Redemption Provisions. The dates and conditions upon which the 2012 Bonds may be called for optional redemption, if at all, not later than March 1, 2024, at a redemption price not to exceed 105%.

Purchase Price. The price at which the 2012 Bonds will be sold to the Underwriter, provided that the price shall not be less than 99% of the aggregate principal amount of the 2012 Bonds.

Such determinations shall be evidenced by the Sale Certificate signed by the City Manager or the Financial Operations Manager and dated and delivered as of the Closing Date, which shall not be more than one year from the date of adoption of this Ordinance. Notwithstanding the foregoing, the City Manager or the Financial Operations Manager is not authorized to make any determination with respect to the 2012 Bonds that would cause the City to exceed the Refunding Limitations imposed by the Prior Ordinances or the total repayment cost and maximum annual repayment cost authorized by the Election (taking into consideration, as applicable, all prior payments on bonds authorized by the Election).

2012 Bond Details. The 2012 Bonds shall be issued in fully registered form (i.e., registered as to both principal and interest) initially registered in the name of Cede & Co. as nominee for The Depository Trust Company, and shall be issued in the denomination of \$5,000 or any integral multiple thereof (provided that no 2012 Bond may be in a denomination which exceeds the principal coming due on any maturity date, and no individual 2012 Bond will be issued for more than one maturity). The 2012 Bonds shall be numbered in such manner as the Registrar may determine. The 2012 Bonds shall be dated as of the date the 2012 Bonds are delivered to the Underwriter for value, and shall bear interest from their dated date until maturity at the rates per annum set forth in the Sale Certificate, payable semiannually on March 1 and September 1 in each year, commencing on the date set forth in the Sale Certificate, except that any 2012 Bond which is reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the 2012 Bonds. The 2012 Bonds shall mature on the dates and in the amounts set forth in the Sale Certificate.

The principal of any 2012 Bond shall be payable to the Registered Owner thereof as shown on the registration records kept by the Registrar, upon maturity thereof and upon presentation and surrender at the Paying Agent. If any 2012 Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the same interest rate borne by said 2012 Bond until the principal thereof is paid in full. Payment of interest on any 2012 Bond shall be made by check or draft mailed 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 the address shown

on the registration records kept by the Registrar at the close of business on the Regular Record Date for such interest payment date; but any such interest not so timely paid or duly provided for shall cease to be payable to the Person who is the Registered Owner thereof at the close of business on the Regular Record Date and shall be payable to the Person who is the Registered Owner of the applicable 2012 Bond at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date and the date fixed for payment of the defaulted interest shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest. Notice of the Special Record Date and the date fixed for payment of the defaulted interest shall be given to the Registered Owners of the 2012 Bonds not less than ten days prior to the Special Record Date by first-class mail to each such Registered Owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any 2012 Bond by such alternative means as may be mutually agreed to between the Owner of such 2012 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 interest payment dates stated in this Section). 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.

Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, the 2012 Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the 2012 Bonds after their delivery for value.

Prior Redemption.

The 2012 Bonds may be subject to prior redemption, at the option of the City, on the dates set forth in the Sale Certificate in whole, or in part from any maturity, in any order of maturity and by lot within a maturity in such manner as the City may determine (giving proportionate weight to 2012 Bonds in denominations larger than \$5,000), at the price set forth in the Sale Certificate.

The Term Bonds, if any, shall be subject to mandatory sinking fund redemption at the times, in the amounts and at the prices provided in the Sale Certificate.

On or before the thirtieth day prior to each such sinking fund payment date, the Registrar shall proceed to call the Term Bonds (or any Term Bond or Term Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next March 1, and give notice of such call without other instruction or notice from the City.

At its option, to be exercised on or before the sixtieth day next preceding each such 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 of the maturity 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) of the preceding sentence are to be availed with respect to such sinking fund payment. Failure of the City to deliver such certificate shall not affect the Registrar's duty to give notice of sinking fund redemption as provided in this paragraph B.

In the case of 2012 Bonds of a denomination larger than \$5,000, a portion of such 2012 Bond (\$5,000 or any integral multiple thereof) may be redeemed, in which case the Registrar shall, without charge to the Owner of such 2012 Bond, authenticate and issue a replacement 2012 Bond or 2012 Bonds for the unredeemed portion thereof.

Notice of optional or mandatory sinking fund redemption by the City shall be given by the Paying Agent in the name of the City by sending a copy of such notice by first-class, postage prepaid mail, not more than 60 days and not less than 30 days prior to the redemption date to the Purchasers and to each Registered Owner of any 2012 Bond all or a portion of which is called for redemption at his 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 2012 Bond or to

the Purchasers, or any defect therein, shall not affect the validity of the proceedings for the redemption of any 2012 Bonds.

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

CUSIP numbers of 2012 Bonds to be redeemed;

the redemption date;

the redemption price;

if less than all Outstanding 2012 Bonds are to be redeemed, the identification of the 2012 Bonds (and, in the case of partial redemption, the respective principal amounts and interest rate) to be redeemed;

that on the redemption date the redemption price will become due and payable upon each such 2012 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

the place where such 2012 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office 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 the 2012 Bonds or portions of 2012 Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the 2012 Bonds or portions of 2012 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 2012 Bonds or portions of 2012 Bonds shall cease to bear interest. Upon surrender of such 2012 Bonds for redemption in accordance with said notice, such 2012 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 2012 Bond, there shall be prepared for the Registered Owner a new 2012 Bond or Bonds of the same maturity and interest rate in the amount of the unpaid principal. All 2012 Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

In addition to the foregoing notice, further notice may be given by the Paying Agent in order to comply with the requirements of any registered securities depository holding the 2012 Bonds, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Notwithstanding the provisions of this section, any notice of 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 2012 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 2012 Bonds called for redemption in the same manner as the original redemption notice was mailed.

2012 Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the Owners of any and all of the Outstanding 2012 Bonds, all of which, regardless of the time or times of their maturity, shall be of equal rank without preference, priority or distinction of any of such securities over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

Special Obligations. All of the 2012 Bonds, together with the interest accruing thereon, shall be payable and collectible solely out of the Pledged Revenues, which Pledged Revenues are hereby so pledged; the Owner or Owners of the 2012 Bonds may look only to the designated special accounts herein pledged for the payment of the principal of and interest on the 2012 Bonds. The full faith and credit of the City is not pledged to the payment of the 2012 Bonds; they shall constitute special, limited obligations of the City. The City has no obligation to increase any City taxes for the purpose of paying the principal of and interest on the 2012 Bonds.

No Pledge of Property. The payment of the 2012 Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City, except for the Pledged Revenues and other funds and accounts pledged for the payment of the 2012 Bonds. No property of the City, subject to such exception, shall be liable to be forfeited or taken in payment of the 2012 Bonds.

No Recourse Against Officers and Agents. No civil recourse shall be available for the payment of the principal of and interest on the 2012 Bonds or for any claim based thereon or otherwise upon this Ordinance or any other ordinance pertaining hereto, against any individual member of the City Council or any officer or agent of the City who acts in good faith, either directly or indirectly through the City 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 2012 Bonds and as a part of the consideration of their sale or purchase, any Person purchasing or selling such 2012 Bonds specifically waives any such recourse.

Form of 2012 Bonds and Registration Panel. The 2012 Bonds and the registration panel shall be substantially as follows (provided that any portion of the 2012 Bond text may, with appropriate references, be printed on the back of the 2012 Bonds), with such omissions, insertions, endorsements, and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Ordinance, or be consistent with this Ordinance and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(Form of Bond)

Unless this certificate 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 certificate 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
GENERAL FUND REVENUE REFUNDING BOND
SERIES 2012

R- _____			\$ _____
<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
_____%		_____, 2012	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

The City of Grand Junction, in the County of Mesa and State of Colorado (the “City”), for value received, promises to pay to the Registered Owner specified above, or registered assigns, solely from the special funds and accounts provided therefor, the principal amount specified above, on the maturity date specified above, and to pay from said sources interest thereon on March 1 and September 1 of each year, commencing on _____, 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. This bond is one of an authorized series of bonds (the “2012 Bonds”) issued pursuant to an ordinance of the City Council adopted on December 7, 2011 (the “Bond Ordinance”). The 2012 Bonds are all issued under and equally and ratably secured by and entitled to the security of the Bond Ordinance. To the extent not defined herein, terms used in this bond shall have the

same meanings as set forth in the Bond Ordinance. This bond bears interest, matures, is payable, is subject to redemption, and is transferable as provided in the Bond Ordinance.

The principal of this bond is payable upon presentation and surrender hereof at the principal office of the Paying Agent. 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 in the registration records of the City maintained by the Registrar at its principal office and at the address appearing thereon at the close of business on the Record Date.

Reference is made to the Bond Ordinance for the provisions, among others, with respect to the custody and application of the proceeds of the 2012 Bonds, the receipt and disposition of the Pledged Revenues, the nature and extent of the security for the 2012 Bonds, the accounts, funds or revenues pledged to the 2012 Bonds, the terms and conditions under which additional obligations payable from the Pledged Revenues or Additional Bonds payable from the Pledged Sales and Use Tax Revenues may be issued, the rights, duties and obligations of the City and the Registrar and Paying Agent, the rights of the Owners of the 2012 Bonds, the events of default and remedies, the circumstances under which any 2012 Bond is no longer Outstanding, the ability to amend the Bond Ordinance; and by the acceptance of this bond the Owner hereof assents to all provisions of the Bond Ordinance. The principal of and the interest on this bond shall be paid, and this bond is transferable, free from and without regard to any equities between the City and the original or any intermediate Owner hereof or any setoffs or cross-claims.

THE 2012 BONDS ARE ISSUED PURSUANT TO AND IN FULL COMPLIANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF COLORADO, THE CHARTER OF THE CITY, AND PURSUANT TO THE BOND ORDINANCE. THE FULL FAITH AND CREDIT OF THE CITY IS NOT PLEDGED TO THE PAYMENT OF THE 2012 BONDS, AND THEY CONSTITUTE SPECIAL, LIMITED OBLIGATIONS OF THE CITY, SECURED ONLY BY THE PLEDGED REVENUES. THE CITY HAS NO OBLIGATION TO INCREASE ANY CITY TAXES FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON THE 2012 BONDS. NEITHER THE MEMBERS OF THE CITY NOR ANY PERSONS EXECUTING THIS BOND SHALL BE PERSONALLY LIABLE FOR THIS BOND.

It is certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the City in the issuance of this bond; that it is issued pursuant to and in strict conformity with the Constitution and laws of the State, with the Charter of the City, and with the Bond Ordinance; and that this bond does not contravene any Constitutional, statutory or Charter limitation.

It is also certified, recited, and warranted that the 2012 Bonds are issued under the authority of the Bond Ordinance and the Supplemental Public Securities Act. It is the intention of the City, as expressed in the Bond Ordinance, that this recital shall conclusively impart full compliance with all of the provisions of the Bond Ordinance and shall be conclusive evidence of the validity and the regularity of the issuance of the 2012 Bonds after their delivery for value and that all of the 2012 Bonds issued are incontestable for any cause whatsoever after their delivery for value.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Registrar shall have duly executed the certificate of authentication hereon.

IN WITNESS WHEREOF, the City Council of the City of Grand Junction has caused this bond to be signed and executed in its name and upon its behalf 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, and has caused a manual or facsimile impression of the seal of the City affixed hereon, 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 2012 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 2012 Bonds.

ZIONS FIRST NATIONAL BANK,
as Registrar

Date of Authentication
and Registration:

By: _____
Authorized Officer or Employee

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

(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>	<u>Signature of Authorized Representative of the Depository</u>

(End of Form of Prepayment Panel)

MAY BE PRINTED ON THE BACK OF THE BOND AND THE FOLLOWING STATEMENT INSERTED -- REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF; SUCH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE.

(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 records of the Registrar, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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.

EXCHANGE OR TRANSFER FEES MAY BE CHARGED

(End of Form of Assignment)

Negotiability. The Owner or Owners of the 2012 Bonds shall possess all rights enjoyed by the holders of investment securities under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest on the 2012 Bonds shall be paid, and the 2012 Bonds shall be transferable, free from and without regard to any equities between the City and the original or any intermediate Owner of any 2012 Bonds or any setoffs or cross-claims.

Execution and Authentication of the 2012 Bonds. The 2012 Bonds shall be executed in the name and on behalf of the City by the manual or facsimile signature of the President of the City Council, shall be sealed with the corporate seal of the City or a facsimile thereof thereunto affixed, imprinted, engraved or otherwise reproduced, and shall be attested by the manual or facsimile signature of the City Clerk. Any 2012 Bond may be signed (manually or by facsimile), sealed or attested on behalf of the City by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of authentication, issuance or delivery, such person may have ceased to hold such office. The President of the City Council and the Clerk may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears on any of the 2012 Bonds. Before the execution of any 2012 Bond, the President of the City Council and the Clerk shall each file with the Secretary of State of the State his or her manual signature certified by him or her under oath.

The authentication certificate upon the 2012 Bonds shall be substantially in the form and tenor provided in the form of the 2012 Bonds hereinbefore provided. No 2012 Bond shall be secured hereby or entitled to the benefit hereof, nor shall any 2012 Bond be valid or obligatory for any purpose, unless the certificate of authentication, substantially in such form, has been duly executed by the Registrar and such certificate of the Registrar upon any 2012 Bond shall be conclusive evidence that such 2012 Bond has been authenticated and delivered hereunder. The 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 2012 Bonds. By authenticating any of the 2012 Bonds initially delivered pursuant to this Ordinance, the Registrar shall be deemed to have assented to the provisions of this Ordinance.

Registration, Transfer and Exchange.

Except as provided in Section 16, records for the registration and transfer of the 2012 Bonds shall be kept by the Registrar, which is hereby appointed by the City as registrar (i.e., transfer agent) for the 2012 Bonds. Upon the surrender for transfer of any 2012 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 2012 Bond or Bonds of the same series, of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not previously assigned. 2012 Bonds may be exchanged at the Registrar for an equal aggregate principal amount of 2012 Bonds of the series and the same maturity and interest rate of other authorized denominations. The Registrar shall authenticate and deliver a 2012 Bond or 2012 Bonds which the Registered Owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with such exchanges and transfers of 2012 Bonds, which charges (as well as any tax or other governmental charge required to be paid with respect to such exchange or transfer) shall be paid by the Registered Owner requesting such exchange or transfer.

The Person in whose name any 2012 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 2012 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 2012 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 2012 Bond to the extent of the sum or sums so paid.

If any 2012 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 2012 Bond or 2012 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 2012 Bond shall have matured or is about to become due and payable, the Registrar may direct the Paying Agent to pay such 2012 Bond in lieu of replacement.

The officers of the City are authorized to deliver to the Registrar fully executed but unauthenticated 2012 Bonds in such quantities as may be convenient to be held in custody by the Registrar pending use as herein provided.

Whenever any 2012 Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such 2012 Bond shall be promptly cancelled 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.

Book Entry.

Notwithstanding any contrary provision of this Ordinance, the 2012 Bonds shall initially be evidenced by one 2012 Bond equal to the principal amount which matures on the same date and bears the same rate of interest. Such initially delivered 2012 Bonds shall be registered in the name of “Cede & Co.” as nominee for The Depository Trust Company, the securities depository for the 2012 Bonds. The 2012 Bonds may not thereafter be transferred or exchanged except:

to any successor of The Depository Trust Company 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

upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or this clause (2) of this paragraph A, or a determination by the City Council that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the designation by the City Council of another depository institution acceptable to the City Council and to the depository then holding the 2012 Bonds, which new depository institution 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 The Depository Trust Company or such successor new depository; or upon the resignation of The Depository Trust Company or a successor or new depository under clause (1) or clause (2) of this paragraph A, or a determination of the City Council that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the failure by the City Council, after reasonable investigation, to locate another qualified depository institution under clause (2) to carry out such depository functions.

In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) of paragraph A hereof or designation of a new depository pursuant to clause (2) of paragraph A hereof, upon receipt of the Outstanding 2012 Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, a new 2012 Bond for each maturity and bearing the same rate of interest of the 2012 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 paragraph A hereof and the failure after reasonable investigation to locate another qualified depository institution for the 2012 Bonds as provided in clause (3) of paragraph A hereof, and upon receipt of the Outstanding 2012 Bonds by the Registrar, together with written instructions for transfer satisfactory to the Registrar, new 2012 Bonds shall be issued in the denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the limitations of Section 15 hereof, registered in the names of such Persons, and in such authorized denominations as are requested in such written transfer instructions; however, the Bond Registrar shall not be required to deliver such new 2012 Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

The City Council, the Registrar and the Paying Agent shall be entitled to treat the Registered Owner of any 2012 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 City Council, the Registrar and the Paying Agent shall have no responsibility for

transmitting payments to the beneficial owners of the 2012 Bonds held by The Depository Trust Company or any successor or new depository named pursuant to paragraph A hereof.

The City Council, the Registrar and the Paying Agent shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (1) or (2) of paragraph (A) hereof in effectuating payment of the principal amount of the 2012 Bonds upon maturity by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

Delivery of 2012 Bonds and Disposition of Proceeds. When the 2012 Bonds have been duly executed by appropriate City officers and authenticated by the Registrar, the City shall cause the 2012 Bonds to be delivered to the Underwriter on receipt of the agreed purchase price. The 2012 Bonds shall be delivered in such denominations as the Underwriter shall direct (but subject to the provisions of Sections 15 and 16 hereof); and the Registrar shall initially register the 2012 Bonds in such name or names as the Underwriter shall direct.

The proceeds of the 2012 Bonds, including the accrued interest thereon, if any, 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 2012 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:

A. First, an amount shall be credited to the Escrow Account which amount, together with the other City funds contributed for such purpose pursuant to the authority granted by Section 25 hereof, will be sufficient to establish any initial cash balance remaining uninvested and to buy Government Obligations to effect the Refunding Project.

B. Second, the balance of the proceeds shall be applied by the City solely for the payment of all issuance expenses or, after adequate provision therefor is made, any unexpended proceeds shall be deposited into the Bond Account.

Use of Pledged Revenues. So long as any 2012 Bonds shall be Outstanding, either as to principal or interest, the Pledged Revenues shall, upon receipt by the City, be applied as follows:

Bond Account. First, there shall be credited from the Pledged Revenues to a special account of the City created by the 2004 Ordinance and continued herein known as the

“City of Grand Junction Revenue Bond Account” the following amounts, provided however, that upon the issuance of Additional Bonds, the Pledged Sales and Use Tax Revenues pledged to the payment of each respective series of Bonds shall be credited concurrently:

Interest Payments. Monthly, commencing on the first day of the first month following the date of delivery of any of the Bonds, or commencing on the first day of the month six months next prior to the first interest payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding.

Principal Payments. Monthly, commencing on the first day of the first month following the date of delivery of any of the Bonds, or commencing on the first day of the month one year next prior to the first principal payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor and on deposit therein from whatever source, to pay the next installment of principal of the Bonds coming due at maturity.

If prior to any interest payment date or principal payment date there has been accumulated in the Bond Account the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in subparagraph (1) or (2) (whichever is applicable) of this paragraph, may be appropriately reduced; but the required monthly amounts again shall be so credited to such account commencing on such interest payment date or principal payment date. The moneys in the Bond Account shall be used only to pay the principal of and interest on the Bonds as the same become due.

Termination of Deposits upon Maturity. No payment need be made into the Bond Account if the amount therein totals a sum at least equal to the entire amount of the Outstanding Bonds, both as to principal and interest to their respective maturities, and both accrued and unaccrued requirements, 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 used as provided in Paragraphs D and E of this Section.

Rebate Account. Third, there shall be deposited in a sub-account of the “City of Grand Junction General Fund Revenue Bonds, Series 2004, Rebate Account”, which sub-account is hereby created and shall be known as the “2012 Rebate Sub-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.

Payment for Subordinate Obligations. After the payments required by Paragraphs A and C 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 hereafter authorized to be issued, including reasonable reserves therefor.

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.

Nothing in this Ordinance shall prevent the City from making refunds of amounts collected by the City and subsequently determined, pursuant to the applicable Sales and Use Tax Ordinances, to be subject to valid claims for refunds.

General Administration of Accounts. The accounts designated in Section 18 hereof shall be administered as follows, subject to the limitations stated in Section 23.J. hereof:

Budget and Appropriation of Accounts. The sums provided to make the payments specified in Section 18 hereof are hereby appropriated for said purposes, and said amounts for each year shall be included in the annual budget and the appropriation ordinance or measures to be adopted or passed by the City Council in each year respectively while any of the 2012 Bonds, either as to principal or interest, are Outstanding and unpaid. No provision of any constitution, statute, charter, ordinance, resolution, or other order or measure enacted after the issuance of the 2012 Bonds shall in any manner be construed as limiting or impairing the obligation of the City

to keep and perform the covenants contained in this Ordinance so long as any of the 2012 Bonds remain Outstanding and unpaid. Nothing herein shall prohibit the City Council, at its sole option, from appropriating and applying other funds of the City legally available for such purpose to the Bond Account for the purpose of providing for the payment of the principal of and interest on the 2012 Bonds.

Places and Times of Deposits. Each of the special accounts created in Section 18 hereof 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.

Investment of Accounts. Any moneys in any account established by Section 18 of this Ordinance 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 19.C. and Section 19.E. 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 23.J. hereof.

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.

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 20.C. 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 19.C. hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

Pledge Securing the 2012 Bonds. The Pledged Revenues and any moneys and securities paid or to be paid to or held or to be held in the Bond Account designated in Section 18 hereof are hereby pledged to secure the payment of the principal of and interest on the 2012 Bonds, subject only to moneys and securities held in the Rebate Account, to the extent such amounts are required to be paid to the United States. The pledge of the Pledged Sales and Use Tax Revenues (as part of the Pledged Revenues) to secure the payment of the principal of and interest on the 2012 Bonds is on a parity with the pledge of the Pledged Sales and Use Tax Revenues for and lien thereon of the unrefunded 2004 Bonds, if any, the 2007 Bonds and any Additional Bonds hereafter issued, as provided herein. This pledge of the Pledged Revenues shall be valid and binding from and after the date of the delivery of the 2012 Bonds, and the Pledged Revenues received by the City and hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act. The lien of this pledge of the Pledged Revenues shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City irrespective of whether such parties have notice thereof. The lien of this pledge on the Pledged Revenues and the obligation to perform the contractual provisions made herein shall have priority over any or all other

obligations and liabilities of the City, except with respect to any parity lien on the Pledged Sales and Use Tax Revenues which may be pledged to the unrefunded 2004 Bonds, if any, the 2007 Bonds and any Additional Bonds hereafter authorized, as provided herein.

Additional Bonds.

Limitations Upon Issuance of Additional Bonds. Nothing in this Ordinance shall prevent the issuance by the City of additional bonds or other obligations payable from and constituting a lien upon the Pledged Sales and Use Tax Revenues on a parity with the lien thereon of the 2012 Bonds (the "Additional Bonds"). Such Additional Bonds may be payable solely from Pledged Sales and Use Tax Revenues or they may be payable from Pledged Sales and Use Tax Revenues and another revenue or fund of the City ("Additional Pledged Revenues"). Regardless of whether payable solely from Pledged Sales and Use Tax Revenues or from Pledged Sales and Use Tax Revenues and Additional Pledged Revenues, such bonds or other obligations may be issued only if for the Fiscal Year immediately preceding the issuance of any Additional Bonds, the amount of Pledged Sales and Use Tax Revenues in such Fiscal Year equaled or exceeded 175% of the Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Additional Bonds proposed to be issued. For the purpose of satisfying the aforementioned 175% test, any sales and use tax, now existing or hereafter imposed, which legally becomes a part of the Pledged Sales and Use Tax Revenues during the Fiscal Year preceding the issuance of Additional Bonds, or any tax which is to legally become a part of the Pledged Sales and Use Tax Revenues immediately prior to the issuance of Additional Bonds, or any increase in the rate of any tax which is a part of the Pledged Sales and Use Tax Revenues which increase is imposed during the Fiscal Year preceding the issuance of Additional Bonds or any such increase which is to be imposed immediately prior to the issuance of Additional Bonds can be considered for its estimated effect on the amount of the Pledged Sales and Use Tax Revenues as if such tax or increase had been in effect for the Fiscal Year immediately preceding the issuance of such Additional Bonds. Any tax which is no longer in effect at the time of issuance of the Additional Bonds shall not be considered for purposes of satisfying such tests.

Certificate of Revenues. A written certification by an officer or employee of the City that the requirements of Paragraph A of this section have been met shall be conclusively

presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver said Additional Bonds with a pledge of the Pledged Sales and Use Tax Revenues on a parity with the pledge thereof to the 2012 Bonds herein authorized.

Superior Pledged Sales and Use Tax Revenue Obligations Prohibited. Nothing in this Ordinance shall be construed so as to permit the City to hereafter issue obligations payable from the Pledged Sales and Use Tax Revenues having a lien thereon prior or superior to the 2012 Bonds.

Subordinate Pledged Sales and Use Tax Revenue Obligations Permitted. Nothing in this Ordinance shall be construed in such a manner as to prevent the issuance by the City of additional obligations payable from and constituting a lien upon the Pledged Sales and Use Tax Revenues subordinate or junior to the lien of the 2012 Bonds.

Superior, Parity, and Subordinate Revenue Obligations Permitted. Nothing in this Ordinance shall be construed in such a manner as to prevent the issuance by the City of additional obligations payable from and constituting a lien upon any of the Pledged Revenues specifically excluding therefrom the Pledged Sales and Use Tax Revenues, superior to, on a parity with, or subordinate or junior to the lien thereon of the 2012 Bonds.

Refunding Obligations.

Generally. If at any time after the 2012 Bonds, or any part thereof, shall have been issued and remain Outstanding, the City shall find it desirable to refund any Outstanding Bonds, or any part thereof, such Bonds, or any part thereof, may be refunded, subject to the provisions of Paragraph B of this Section, if (1) the Bonds to be refunded, at the time of their required surrender for payment, shall then mature, or (2) the Owners of the Bonds to be refunded consent to such surrender and payment.

Protection of Obligations Not Refunded. Any refunding obligations payable from the Pledged Revenues or from the Pledged Sales and Use Tax Revenues and any Additional Pledged Revenues shall be issued with such details as the City Council may provide, so long as there is no impairment of any contractual obligation imposed upon the City by any proceedings authorizing the issuance of any unrefunded portion of Bonds payable from the Pledged Revenues or the Pledged Sales and Use Tax Revenues and any Additional Pledged Revenues; but so long

as any Bonds are Outstanding, refunding obligations payable from the Pledged Sales and Use Tax Revenues may be issued on a parity with the unrefunded Bonds only if:

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

Requirements Not Increased. 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 Sales and Use Tax Revenues is not raised to a higher priority than the lien thereon of any Bonds thereby refunded; or

Earnings Test. The refunding obligations are issued in compliance with Paragraphs A and B of Section 21 hereof.

Protective Covenants. The City hereby additionally represents, covenants, and agrees with each and every Owner of the 2012 Bonds that:

Payment of 2012 Bonds. The City will promptly pay the principal of and interest on every 2012 Bond issued hereunder and secured hereby on the dates and in the manner specified herein and in said 2012 Bonds according to the true intent and meaning hereof. Such principal of and interest on the 2012 Bonds is payable solely from the Pledged Revenues.

Amendment of Certain Ordinances; Duty to Impose Sales and Use Tax; Impairment of Contract. The Sales and Use Tax Ordinances are in full force and effect and have not been repealed or amended. The City will not repeal or amend said Sales and Use Tax Ordinances in any manner which would diminish the proceeds of the Pledged Sales and Use Tax by an amount which would materially adversely affect the rights of the Owners of the 2012 Bonds.

Notwithstanding any other provision of this Section or this Ordinance, the City shall retain the right to make changes, without any consent of 2012 Bond Owners, in the Sales and Use Tax Ordinances, or any ordinance supplemental thereto or in substitution therefor, concerning the use of proceeds of the Pledged Sales and Use Tax remaining after the current requirements of all ordinances authorizing bonds or other securities payable from the Pledged

Sales and Use Tax, or any portion thereof, have been met; or concerning changes in applicability, exemptions, administration, collection, or enforcement of the Sales and Use Tax, if such changes do not materially adversely affect the security for the 2012 Bonds.

The foregoing covenants are subject to compliance by the City with orders of courts of competent jurisdiction concerning the validity, constitutionality or collection of such tax revenues, any legislation of the United States or the State or any regulation or other action taken by the federal government, any State agency or any political subdivision of the State pursuant to such legislation, in the exercise of the police power thereof for the public welfare, which legislation, regulation or action applies to the City as a Colorado home rule city and limits or otherwise inhibits the amount of such tax revenues due to the City. All of the Pledged Sales and Use Tax Revenues shall be subject to the payment of the principal of and interest on all Bonds payable from the Pledged Sales and Use Tax Revenues, including reserves therefor, as provided herein or in any instrument supplemental or amendatory hereof.

Defense of Legality of Pledged Revenues. 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, or the Sales and Use Tax Ordinances or the imposition and collection of the Sales and Use Tax, any of the City's obligations under this Ordinance or any of the transactions contemplated by this Ordinance or the Sales and Use Tax Ordinances.

The City shall, to the extent permitted by law, defend the validity and legality of this Ordinance, the Sales and Use Tax and the Sales and Use Tax Ordinances against all claims, suits and proceedings which would diminish or impair the Pledged Revenues. Furthermore, the City shall amend from time to time the provisions of any ordinance or resolution of the City, as necessary to prevent impairment of the Pledged Revenues as required to meet the principal of and interest on the 2012 Bonds when due.

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 and to comply with any instrument of the City amendatory thereof, or supplemental thereto and the Charter. The City, acting by and through the City Council, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and other funds and accounts pledged hereunder and all the rights of every Owner of any of the 2012 Bonds against all claims and demands of all Persons whomsoever.

Conditions Precedent. Upon the issuance of any of the 2012 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 2012 Bonds shall exist, have happened and have been performed, and the 2012 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 of the City.

Maintenance of Records. So long as any of the 2012 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 by this Ordinance. Upon the issuance of any series of Additional Bonds, the City shall keep proper books of record and account showing complete and correct entries of all transactions relating to the Pledged Sales and Use Tax Revenues and accounts created or continued pursuant to the ordinance authorizing the issuance of such series of Additional Bonds.

Audits Required. The City further agrees that it will, within 210 days following the close of each Fiscal Year, 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 2012 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.

Performing Duties. The City will faithfully and punctually perform 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 proper collection and enforcement of the Sales and Use Taxes and the segregation of the Pledged Revenues and their application to the respective accounts herein designated.

Other Liens. As of the date of issuance of the 2012 Bonds, there are no liens or encumbrances of any nature whatsoever on or against any of the Pledged Revenues on a parity with or superior to the lien thereon of the 2012 Bonds, except for the lien on the Pledged Revenues of the unrefunded 2004 Bonds, if any, and the 2007 Bonds.

Tax Covenant. The City covenants for the benefit of the Registered Owners of the 2012 Bonds that it will not take any action or omit to take any action with respect to the 2012 Bonds, the proceeds thereof, any other funds of the City or any facilities refinanced with the proceeds of the 2012 Bonds if such action or omission (i) would cause the interest on the 2012 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 2012 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the 2012 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 2012 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.

Corporate Existence. The City will maintain its corporate identity and existence so long as any of the 2012 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 2012 Bonds.

Performance of Duties. The City will faithfully and punctually perform or cause to be performed all duties with respect to the Pledged Revenues required by the laws of the State and the resolutions of the City, including without limitation the proper segregation of the Pledged Revenues as set forth in Section 18 hereof and their application to the respective accounts as herein provided.

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

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.

Continuing Disclosure. The City further covenants for the benefit of the Owners of the Bonds to comply with the Continuing Disclosure Certificate.

Defeasance. If the 2012 Bonds shall be paid in accordance with their terms (or payment of the 2012 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 2012 Bond shall prior to the maturity, payment date, or redemption date thereof, as applicable, be deemed to have been provided for within the meaning and with the effect expressed in this section if (a) in case said 2012 Bond is to be redeemed on any date prior to its maturity or payment date, as applicable, 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 2012 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 Government Obligations 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 or payment amount, as applicable, premium if any,

and interest due and to become due on said 2012 Bond on and prior to the maturity date, payment date, or redemption date thereof, as applicable, and (c) in the event said 2012 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 2012 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 2012 Bond has been provided for in accordance with this section and stating such maturity, payment date, or redemption date, as applicable, upon which moneys are to be available for the payment of the principal of or payment amount, as applicable, premium if any, and interest of said 2012 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 Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of or payment amount, as applicable, premium if any, and interest of said 2012 Bond; provided any cash received from such principal or interest payments on such Government Obligations 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 or payment amount, as applicable, premium if any, and interest to become due on said 2012 Bond on or prior to such maturity date, payment date, or redemption date thereof, as applicable. At such time as payment of a 2012 Bond has been provided for as aforesaid, such 2012 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 2012 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 2012 Bonds shall continue; provided that the Owners thereof shall thereafter be entitled to payment only out of the moneys or Government Obligations deposited with the Paying Agent or other commercial bank exercising trust powers as provided in this Section.

Escrow Account; Use of Proceeds. A portion of the proceeds of the 2012 Bonds and other available City moneys shall be deposited by the City in the Escrow Account. The City Council hereby authorizes the City Manager or the Financial Operations Manager to deposit up to \$20,000,000 of the City's unrestricted funds into the Escrow Account to pay a portion of the Refunded Bond Requirements. The Escrow Bank is hereby authorized and directed to use moneys credited to the Escrow Account to provide for the payment of the acquired obligations to be held in the Escrow Account and to fund the Escrow Account with the necessary beginning cash, if any, as required in accordance with the escrow sufficiency computations verified by a certified public accountant.

Maintenance of Escrow Account. The Escrow Account shall be maintained in an amount, at the time of those initial deposits therein and at all times subsequent at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Government Obligations to pay the Refunded Bond Requirements.

Use of Escrow Account. Moneys shall be withdrawn by the Escrow Bank from the Escrow Account in sufficient amounts and at such times to permit the payment without default of the Refunded Bond Requirements. Any moneys remaining in the Escrow Account after provision shall have been made for the payment or redemption in full of the Refunded Bonds shall be applied to any lawful purpose of the City as the City Council may hereafter determine.

Exercise of Option. The City Council has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to redeem the Refunded Bonds on the Redemption Date. The City hereby authorizes and directs the registrar of the Refunded Bonds to give notice of partial refunding, defeasance and redemption of the Refunded Bonds to the registered owners of the Refunded Bonds as soon as practicable after delivery of the

2012 Bonds and again not more than 60 days nor less than 30 days prior to the Redemption Date, in accordance with the applicable provisions of the 2004 Ordinance.

Delegated Powers. The officers of the City shall be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance. The form, terms and provisions of the Bond Purchase Agreement, the Continuing Disclosure Certificate, the Escrow Agreement, and the Registrar Agreement hereby are approved, and the City shall enter into and perform its obligations under the Bond Purchase Agreement, the Continuing Disclosure Certificate, the Escrow Agreement, and the Registrar Agreement, in the forms of each of such documents previously filed, with only such changes therein as are not inconsistent herewith; and the President of the City Council is hereby authorized and directed to execute the Continuing Disclosure Certificate, the Escrow Agreement and the Registrar Agreement. The President of the City Council, the City Manager or the Financial Operations Manager is hereby authorized and directed to execute and deliver the Sale Certificate and the Bond Purchase Agreement and to determine and approve the final determinations contained therein for the 2012 Bonds. The City Clerk is hereby authorized to execute and to affix the seal of the City to the Continuing Disclosure Certificate, the Escrow Agreement, and the Registrar Agreement, and the President of the City Council, the City Manager, the Financial Operations Manager and the City Clerk are further authorized to execute and authenticate such other documents, instruments or certificates as are deemed necessary or desirable by bond counsel in order to issue and secure the 2012 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.

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.

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 2012 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.

Events of Default. Each of the following events is hereby declared an "event of default:"

Nonpayment of Principal. If payment of the principal of any of the 2012 Bonds in connection therewith, shall not be made when the same shall become due and payable at maturity; or

Nonpayment of Interest. If payment of any installment of interest on the 2012 Bonds shall not be made when the same becomes due and payable; or

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

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 2012 Bonds or in this Ordinance on its part to be performed, other than those delineated in Paragraphs A and B of this Section and Section 23.O. hereof, 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 2012 Bonds then Outstanding.

Remedies. Upon the happening and continuance of any event of default as provided in Section 30 hereof, the Owner or Owners of not less than 25% in principal amount of the Outstanding 2012 Bonds, or a trustee therefor, may protect and enforce their rights hereunder by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, the appointment of a receiver (the consent of such appointment being hereby granted), injunctive relief, or requiring the City Council to act as if it were the trustee of an express trust, or any combination of such remedies. All proceedings shall be maintained for the equal benefit of all Owners. 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.

Duties Upon Default. Upon the happening of any of the events of default as provided in Section 30 of this Ordinance, the City, in addition, will do and perform all proper acts on behalf of and for the Owners of the 2012 Bonds to protect and preserve the security created for the payment of the 2012 Bonds and to insure the payment of the principal of and interest on said 2012 Bonds promptly as the same become due. Proceeds derived from the Pledged Revenues, so long as any of the 2012 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 2012 Bonds then Outstanding, after demand in writing, may proceed to protect and enforce the rights of such Owners as hereinabove provided.

Replacement of Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the City shall reasonably determine that said Registrar or Paying Agent has become incapable of performing its duties hereunder, the City may, upon notice mailed to each Owner of any 2012 Bond at his address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or removal of the Registrar or Paying Agent may take effect until a successor is appointed. Every such successor Registrar or Paying Agent shall be the City or a Commercial Bank or Trust Bank. 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.

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.

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.

Amendment. After any of the 2012 Bonds have been issued, this Ordinance shall constitute a contract between the City and the holders of the Bonds and shall be and remain irrevocable until the Bonds and the interest thereon have been fully paid, satisfied and discharged except as otherwise provided in this Section.

The City may, without the consent of, or notice to the Owners of the 2012 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:

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 adversely affect the interests of the Owners of the 2012 Bonds;

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

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

to qualify this Ordinance under the Trust Indenture Act of 1939.

Exclusive of the amendatory ordinances permitted by Paragraph A of this Section, this Ordinance may be amended or supplemented by ordinance adopted by the City Council in accordance with the law, without receipt by the City of any additional consideration but with the written consent of the Owners of 66% in aggregate principal amount of the 2012 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 2012 Bonds adversely affected thereby, no such Ordinance shall have the effect of permitting:

An extension of the maturity of any 2012 Bond authorized by this Ordinance; or

A reduction in the principal amount of any 2012 Bond or the rate of interest thereon; or

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

A reduction of the principal amount of 2012 Bonds required for consent to such amendatory or supplemental ordinance; or

The establishment of priorities as between 2012 Bonds issued and Outstanding under the provisions of this Ordinance; or

The modification of or otherwise affecting the rights of the Owners of less than all of the 2012 Bonds then Outstanding.

Approval of Official Statement. The preparation, distribution and use of Preliminary Official Statement relating to the 2012 Bonds is hereby authorized. The President of the City Council or the Financial Operations Manager 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 2012 Bonds. The execution of a final Official Statement by the President of the City Council or the Financial Operations Manager shall be conclusively deemed to evidence the approval of the form and contents thereof by the City.

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

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

[The remainder of this page intentionally left blank.]

INTRODUCED, PASSED ON FIRST READING, APPROVED AND
ORDERED PUBLISHED IN PAMPHLET FORM THIS 14th OF NOVEMBER, 2011.

CITY OF GRAND JUNCTION, COLORADO

President of the City Council

Attest:

City Clerk

INTRODUCED, PASSED ON SECOND READING, APPROVED AND
ORDERED PUBLISHED IN PAMPHLET FORM THIS 7th OF DECEMBER, 2011.

CITY OF GRAND JUNCTION, COLORADO

President of the City Council

Attest:

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 “City 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 pamphlet form by the City Council at a regular meeting thereof held on November 14, 2011 and was duly adopted and ordered published in pamphlet form by the City Council at a regular meeting thereof held on December 7, 2011, which Ordinance has not been revoked, rescinded or repealed and is in full force and effect on the date hereof.

2. The Ordinance was duly moved and seconded and the Ordinance was passed on first reading at the meeting of November 14, 2011, an affirmative vote of a majority of the members of the City Council as follows:

<u>City Councilmember</u>	<u>Voting “Aye”</u>	<u>Voting “Nay”</u>	<u>Absent</u>	<u>Abstaining</u>
Tom Kenyon				
Bill Pitts				
Sam Susuras				
Bennett Boeschenstein				
Laura Luke				
Teresa Coons				
Jim Doody				

3. The Ordinance was duly moved and seconded and the Ordinance was finally passed on second reading at the meeting of December 7, 2011, by an affirmative vote of a majority of the members of the City Council as follows:

<u>City Councilmember</u>	<u>Voting "Aye"</u>	<u>Voting "Nay"</u>	<u>Absent</u>	<u>Abstaining</u>
Tom Kenyon				
Bill Pitts				
Sam Susuras				
Bennett Boeschstein				
Laura Luke				
Teresa Coons				
Jim Doody				

4. The members of the City 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 City Council, sealed with the City seal, attested by the City Clerk and recorded in the minutes of the City Council.

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

7. Notices of the meetings of November 14, 2011 and December 7, 2011 in the forms attached hereto as Exhibit A were posted at City Hall in accordance with law.

8. The Ordinance was published in pamphlet form in The Daily Sentinel, a daily newspaper of general circulation in the City, on November __, 2011 and December __, 2011, as required by the City Charter. Notice of the hearing on the Ordinance was published on November __, 2011. 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 December __, 2011.

City Clerk and Clerk to the City Council

(SEAL)

EXHIBIT A

(Attach Notices of Meetings of November 14, 2011 and December 7, 2011)

EXHIBIT B

(Attach Affidavits of Publication)

BOND PURCHASE AGREEMENT

§ _____
City of Grand Junction, Colorado
General Fund Revenue Refunding Bonds
Series 2012

January __, 2012

City Council
City of Grand Junction
250 North 5th Street
Grand Junction, CO 81501

Ladies and Gentlemen:

The undersigned, RBC Capital Markets, LLC (the “Underwriter”), offers to enter into the following agreement (this “Agreement”) with the City of Grand Junction, Colorado (the “City”) which, upon the City’s written acceptance of this offer, will be binding upon the City and upon the Underwriter. This offer is made subject to the City’s written acceptance hereof on or before 5:00 p.m., Mountain time, on January __, 2012, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance hereof by the City. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Bond Ordinance (as defined herein) or in the Official Statement (as defined herein).

1. *Purchase and Sale of the Bonds.* Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the City’s General Fund Revenue Refunding Bonds, Series 2012 (the “Bonds”). Inasmuch as this purchase and sale represents a negotiated transaction, the City acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm’s length, commercial transaction between the City and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the City; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters); (iii) the Underwriter is acting solely in its capacity as underwriter for its own accounts, (iv) the only obligations the Underwriter has to the City with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (v) the City has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed

appropriate. The Underwriter has been duly authorized to execute this Agreement and to act hereunder.

The principal amount of the Bonds to be issued, the dated date therefor, the maturities, sinking fund and optional redemption provisions and interest rates per annum are set forth in Schedule I hereto. The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of the ordinance adopted by the City on December 7, 2011 (the "Bond Ordinance").

The purchase price for the Bonds shall be \$ _____. This amount represents the par amount of the Bonds of \$ _____ plus original issue premium of \$ _____, less an underwriting discount of \$ _____.

2. *Public Offering.* The Underwriter agrees to make a bona fide public offering of all of the Bonds at a price not to exceed the public offering price set forth on the inside cover of the Official Statement and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering price stated on the inside cover of the Official Statement.

3. *The Official Statement.*

(a) Attached hereto as Schedule II is a copy of the Preliminary Official Statement dated January __, 2012 (the "Preliminary Official Statement"), including the cover page and Appendices thereto, of the City relating to the Bonds. Such copy of the Preliminary Official Statement, as amended upon final pricing as permitted by the Rule (as defined herein), is hereinafter called the "Official Statement."

(b) The Preliminary Official Statement has been prepared by the City for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds. The City hereby represents and warrants that the Preliminary Official Statement was deemed final by the City as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").

(c) The City represents that the governing body of the City has reviewed and approved the information in the Official Statement and hereby authorizes the Official Statement to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The City shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the City's acceptance of this Agreement (but, in any event, not later than within seven business days after the City's acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter in such quantity as the Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the

rules of the Municipal Securities Rulemaking Board (the “MSRB”). The City hereby confirms that it does not object to the distribution of the Official Statement in electronic form.

(d) If, after the date of this Agreement to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the “end of the underwriting period” for the Bonds), the City becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the City will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the City will forthwith prepare and furnish, at the City’s own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the City shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Underwriter hereby agrees to file the Official Statement with the MSRB. Unless otherwise notified in writing by the Underwriter, the City can assume that the “end of the underwriting period” for purposes of the Rule is the date of the Closing.

4. *Representations , Warranties , and Covenants of the City.* The City hereby represents and warrants to and covenants with the Underwriter that:

(a) The City is a political subdivision of the State of Colorado (the “State”) duly created, organized and existing under the laws of the State and its home rule charter, and has full legal right, power and authority under the laws of the State, and at the date of the Closing will have full legal right, power and authority under the Bond Ordinance (i) to enter into, execute and deliver this Agreement, the Bond Ordinance, the Continuing Disclosure Certificate relating to the City’s obligations pursuant to the Rule, (the “Undertaking”), and all other documents required hereunder and thereunder to be executed and delivered by the City (this Agreement, the Bond Ordinance, the Undertaking and the other documents referred to in this clause are hereinafter referred to

as the “City Documents”), (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions contemplated by the City Documents and the Official Statement, and the City has complied, and will at the Closing be in compliance in all respects, with the terms of the City Documents as they pertain to such transactions;

(b) By all necessary official action of the City prior to or concurrently with the acceptance hereof, the City has duly authorized all necessary action to be taken by it for (i) the adoption of the Bond Ordinance and the issuance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the City of the obligations on its part, contained in the Bonds and the City Documents and (iii) the consummation by it of all other transactions contemplated by the Official Statement, and the City Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the City in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(c) The City Documents constitute legal, valid and binding obligations of the City, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights; the Bonds, when issued, delivered and paid for, in accordance with the Bond Ordinance and this Agreement, will constitute legal, valid and binding obligations of the City entitled to the benefits of the Bond Ordinance and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Bond Ordinance will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create as set forth in the Bond Ordinance;

(d) The City is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the City under any of the foregoing; and the execution and delivery of the Bonds, the City Documents and the adoption of the Bond Ordinance and compliance with the provisions on the City’s part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City to be pledged to

secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Bond Ordinance

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the City of its obligations under the City Documents and the Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) The Bonds conform to the descriptions thereof contained in the Official Statement; the Bond Ordinance conforms to the general description thereof contained in the Official Statement; the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement and the Undertaking conforms to the general description thereof contained in the Official Statement.

(g) There is no legislation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the City after due inquiry, threatened against the City, affecting the existence of the City or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of taxes pledged to the payment of principal of and interest on the Bonds pursuant to the Bond Ordinance or in any way contesting or affecting the validity or enforceability of the Bonds, the City Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes or state income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the City or any authority for the issuance of the Bonds, the adoption of the Bond Ordinance or the execution and delivery of the City Documents, nor, to the best knowledge of the City, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the City Documents;

(h) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) At the time of the City's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or

necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 3 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(k) The City will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Ordinance and not to take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes or state income tax purposes of the interest on the Bonds;

(l) The City will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (A) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the City will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The financial statements of, and other financial information regarding the City, in the Official Statement fairly present the financial position and results of the City as of the dates and for the periods therein set forth. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the City. The City is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the City, would have a materially adverse effect on the financial condition of the City;

(n) Prior to the Closing the City will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the revenues or assets which will secure the Bonds without the prior approval of the Underwriter; and

(o) Any certificate, signed by any official of the City authorized to do so in connection with the transactions contemplated by this Agreement, shall be

deemed a representation and warranty by the City to the Underwriter as to the statements made therein;

5. *Closing.*

(a) At 9:00 a.m., Mountain time, on January __, 2012, or at such other time and date as shall have been mutually agreed upon by the City and the Underwriter (the "Closing"), the City will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 of this Agreement by a certified or bank cashier's check or checks or wire transfer payable in immediately available funds to the order of the City. Payment for the Bonds as aforesaid shall be made at the offices of Bond Counsel, or such other place as shall have been mutually agreed upon by the City and the Underwriter.

(b) Delivery of the Bonds shall be made to The Depository Trust Company, New York, New York. The Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Bonds, registered in the name of Cede & Co., all as provided in the Bond Ordinance, and shall be made available to the Underwriter at least one business day before the Closing for purposes of inspection.

6. *Closing Conditions.* The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the City contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the City of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the City of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the City of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The representations and warranties of the City contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The City shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the City Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; and (ii) all actions of the City required to be taken by the City shall be performed in order for Bond Counsel to deliver its opinion referred to hereafter;

(d) At or prior to the Closing, the Bond Ordinance shall have been duly executed and delivered by the City and the City shall have duly executed and delivered and the registrar shall have duly authenticated the Bonds;

(e) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the City, from that set forth in the Official Statement that in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(f) The City shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(g) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriter;

(h) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the City by the President of its City Council, or such other official as may have been agreed to by the Underwriter, and the reports and audits referred to or appearing in the Official Statement;

(2) The Bond Ordinance with such supplements or amendments as may have been agreed to by the Underwriter;

(3) The Undertaking of the City which satisfies the requirements of section (b)(5)(i) of the Rule;

(4) The approving opinion of Bond Counsel with respect to the Bonds, in substantially the form attached to the Official Statement;

(5) A certificate, dated the date of Closing, of the City to the effect that (i) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) no litigation or proceeding against it is pending or, to its knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the City Council or officials of the City to hold and exercise their respective positions, (b) contest the due organization and valid existence of the City, (c) contest the validity, due authorization and execution of the Bonds or the City Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the City from levying or collecting the taxes pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof; (iii) the resolutions of the City authorizing the execution, delivery and/or performance of the Official Statement, the Bonds and the City Documents have been duly adopted by the City, are in full force and effect and have not been modified, amended or repealed, and (iv) to the best of its knowledge, no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(6) A certificate of the City in form and substance satisfactory to Bond Counsel and counsel to the Underwriter (a) setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code, and (b) certifying that to the best of the knowledge and belief of the City there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(7) Any other certificates and opinions required by the Bond Ordinance for the issuance thereunder of the Bonds;

(8) Evidence satisfactory to the Underwriter that the Bonds have been rated “_____” by Standard & Poor’s Rating Group, a division of The McGraw Hill Companies, Inc. and that such rating is in effect as of the date of Closing;

(9) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or counsel to the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the City’s representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the City;

(10) A copy of a special report prepared by _____, independent certified public accountants, addressed to the City, Bond Counsel and the Underwriter, verifying (i) the arithmetical computations of the adequacy of the maturing principal and interest on the Federal Securities (as defined in the resolution authorizing the issuance of the Refunded Bonds) and uninvested cash on hand under the Escrow Agreement to pay, when due, the principal of and interest on the Refunded Bonds, and (ii) the computation of the yield with respect to the Federal Securities and the Bonds; and

(11) Such opinions of counsel as may be required in connection with the refunding of the Refunded Bonds.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the City shall be under any further obligation hereunder, except that the respective obligations of the City and the Underwriter set forth in Section 8 hereof shall continue in full force and effect.

7. *Termination.* The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or

marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation or State income taxation upon interest received on obligations of the general character of the Bonds or, with respect to State taxation, of the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Bond Ordinance is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state Blue Sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking

moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, Underwriter;

(f) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the City, its property, income securities (or interest thereon), or the validity or enforceability of the assessments or the levy of taxes to pay principal of and interest on the Bonds;

(g) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred any materially adverse change in the affairs or financial condition of the City, except for changes which the Official Statement discloses are expected to occur;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities;

(j) there shall have occurred any national or international calamity or crisis in the financial markets or otherwise of the United States or elsewhere;

(k) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement;

(l) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the City's obligations or any rating of the Insurer; and

(m) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

(n) the debt ceiling of the United States is such that the Federal Securities required to fund the Escrow Agreement are not available for delivery on the date of the delivery of the Bonds.

8. *Expenses.*

(a) The Underwriter shall be under no obligation to pay, and the City shall pay all expenses incident to the performance of the City's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds, Preliminary Official Statement, Official Statement and any amendment or supplement thereto, (ii) the fees and disbursements of Bond Counsel; (iii) the fees and disbursements of any financial advisor to the City; (iv) the fees and disbursements of any paying agent, registrar, engineer, accountant, and other expert, consultant or adviser retained by the City, if any; and (v) all fees and expenses in connection with obtaining bond ratings.

(b) The City acknowledges that the Underwriter will pay from the underwriters' expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Counsel of Texas, a non-profit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities. An employee of the Underwriter serves on the Board of the Municipal Advisory Council of Texas.

(c) The City acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(d) Except as provided for above, the Underwriter shall pay (i) the cost of preparation and printing of this Agreement, the Blue Sky Survey and Legal Investment Memorandum; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by them in connection with the public offering of the Bonds, including the fees and disbursements of counsel retained by the Underwriter.

(e) If this Agreement shall be terminated because of any failure or refusal on the part of any party to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason any party shall be unable to perform its obligations under this Agreement, the non-terminating party will reimburse the other party for all out-of-pocket expenses (including the fees and disbursements of counsel) reasonably incurred in connection with this Agreement or the offering contemplated hereunder.

9. *Notices.* Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to City of Grand Junction, 250 North 5th Street, Grand Junction, CO 81501, Attention: Jodi Romero, Financial Operations Manager, and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to RBC Capital Markets, LLC, 1200 17th Street, Suite 2150, Denver, Colorado 80202, Attention: Dan O'Connell, Managing Director.

10. *Parties in Interest.* This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the City and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the City. All of the City's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

11. *Effectiveness.* This Agreement shall become effective upon the acceptance hereof by the City and shall be valid and enforceable at the time of such acceptance.

12. *Choice of Law.* This Agreement shall be governed by and construed in accordance with the law of the State.

13. *Severability.* If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

14. *Business Day.* For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

15. *Section Headings.* Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

16. *Counterparts.* This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriter. This Agreement shall become a binding agreement between you and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Respectfully submitted,

RBC CAPITAL MARKETS, LLC

By: _____

Name: _____

Title: Managing Director

Date: January __, 2012

ACCEPTANCE

ACCEPTED at _____ p.m., Mountain time, this ____ day of January, 2012.

By: _____

Name: _____

Title: _____

SCHEDULE I

\$ _____
City of Grand Junction, Colorado
General Fund Revenue Refunding Bonds
Series 2012

<u>Maturing March 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			

[Describe optional and mandatory sinking fund redemption provisions, if any.]

SCHEDULE II

COPY OF PRELIMINARY OFFICIAL STATEMENT

City of Grand Junction, Colorado
General Fund Revenue Refunding Bonds, Series 2011

CONTINUING DISCLOSURE CERTIFICATE

1. This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Grand Junction, Colorado (the “City”) in connection with the issuance of its General Fund Revenue Refunding Bonds, Series 2011, dated December __, 2011, in the aggregate principal amount of \$ _____ (the “Bonds”). The Bonds are being issued pursuant to Ordinance No. _____ adopted by the City Council of the City on November 2, 2011 (the “Ordinance”). The City covenants and agrees as follows:
2. SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).
3. SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:
 4. “Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.
 5. “Dissemination Agent” shall mean, initially, the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.
 6. “Material Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.
 7. “MSRB” shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.
 8. “Participating Underwriter” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.
 9. “Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.
10. SECTION 3. Provision of Annual Reports.
11. a. The City shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the City’s fiscal year of each year, commencing nine (9)

months following the end of the City's fiscal year ending December 31, 2011, provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report.

12. b. If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall file or cause to be filed with the MSRB a notice in substantially the form attached as Exhibit A.
13. c. The Dissemination Agent shall:
 14. (1) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;
 15. (2) if the Dissemination Agent is other than the City, send written notice to the City at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and
 16. (3) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.
17. SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:
 18. a. A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.
 19. b. An update of the type of information identified in Exhibit B hereto, which is contained in the tables in the Official Statement with respect to the Bonds.
 20. Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The City shall clearly identify each such document incorporated by reference.

21. SECTION 5. Reporting of Material Events. The City shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds:
22. a. Principal and interest payment delinquencies;
23. b. Non-payment related defaults, *if material*;
24. c. Unscheduled draws on debt service reserves reflecting financial difficulties;
25. d. Unscheduled draws on credit enhancements reflecting financial difficulties;
26. e. Substitution of credit or liquidity providers or their failure to perform;
27. f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
28. g. Modifications to rights of bondholders, *if material*;
29. h. Bond calls, *if material*, and tender offers;
30. i. Defeasances;
31. j. Release, substitution or sale of property securing repayment of the Bonds, *if material*;
32. k. Rating changes;
- l. Bankruptcy, insolvency, receivership or similar event of the obligated person;¹
- m. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to

¹ ***For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.***

undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*; and

n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

33. SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.
34. As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.
35. SECTION 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the City shall no longer constitute an "obligated person" within the meaning of the Rule [add any other applicable obligated persons]; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.
36. SECTION 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist the City in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.
37. SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The City will provide notice of such amendment or waiver to the MSRB.
38. SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate

to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

39. SECTION 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds 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 obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.
40. SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: December __, 2011.

CITY OF GRAND JUNCTION, COLORADO

By: _____
President of the City Council

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Grand Junction, Colorado

Name of Bond Issue: General Fund Revenue Refunding Bonds, Series 2011, dated December __, 2011, in the aggregate principal amount of \$_____.

CUSIP:

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by Section 23.O. of the Ordinance, adopted on November 2, 2011, and the Continuing Disclosure Certificate executed on December __, 2011, by the City. The City anticipates that the Annual Report will be filed by _____.

Dated: _____, _____

CITY OF GRAND JUNCTION, COLORADO

By: _____
Its: _____

EXHIBIT B

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

CITY OF GRAND JUNCTION, COLORADO
GENERAL FUND REVENUE REFUNDING BONDS, SERIES 2011

ESCROW AGREEMENT

DATED as of December __, 2011, made by and between the City of Grand Junction, Colorado (the “City”), a municipal corporation duly organized and existing under the laws of the State of Colorado, and UMB Bank, n.a., Denver, Colorado (the “Escrow Bank”), a bank having and exercising full and complete trust powers, duly organized and existing under the laws of the United States of America, being a member of the Federal Deposit Insurance Corporation and the Federal Reserve System.

WHEREAS, the City is a legally and regularly created, established, organized, and existing public corporation of the State of Colorado; and

WHEREAS, the City has previously issued its General Fund Revenue Bonds, Series 2004, in the original aggregate principal amount of \$57,075,000, currently outstanding in the aggregate principal amount of \$53,075,000 (the “Series 2004 Bonds”); and

WHEREAS, the Series 2004 Bonds maturing on and after March 1, 2015, are subject to redemption prior to maturity at the option of the City on March 1, 2014, or on any date thereafter, at a redemption price equal to 100% of the principal amount so redeemed plus accrued interest to the redemption date; and

WHEREAS, the City now desires to refund, pay, and discharge the Series 2004 Bonds maturing on and after March 1, 2014 (the “Refunded Bonds”), currently outstanding in the aggregate principal amount of \$53,075,000, on March 1, 2014 (the “Redemption Date”); and

WHEREAS, the City has issued its “General Fund Revenue Refunding Bonds, Series 2011” (the “Series 2011 Bonds”) in the aggregate principal amount of \$ _____ for the purpose of paying (i) the interest due on the Refunded Bonds, both accrued and not accrued, as the same becomes due on and after the date of delivery of the Series 2011 Bonds and on and before the Redemption Date; and (ii) the principal of the Refunded Bonds upon maturity or prior redemption on the Redemption Date (collectively, the “Refunded Bond Requirements”), as more particularly described in the certified public accountant’s report attached as Exhibit 1 to this Agreement (the “Report”); and

WHEREAS, the Series 2011 Bonds are issued by the City pursuant to an ordinance duly adopted by the City Council of the City on November 2, 2011 (the “Bond Ordinance”); and

WHEREAS, the City, by the Bond Ordinance, among other matters:

Authorized the creation of the Escrow Account (as defined below);

Authorized the Escrow Account to be maintained at the Escrow Bank;

Provided for the deposit in the Escrow Account of a portion of the net proceeds of the Series 2011 Bonds and any other moneys in an aggregate amount fully sufficient, together with the known minimum yield from the investment of such moneys in bills, certificates of indebtedness, notes, bonds, or similar securities which are direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or ownership interests in any of the foregoing) and which are not callable prior to their scheduled maturities by the issuer thereof (or an ownership interest in any of the foregoing) (“Federal Securities”), to pay the Refunded Bond Requirements, as set forth therein and herein (in no circumstances shall the term “Federal Securities” include money market investments even if the money market fund in which the investment is made invests only in Federal Securities);

Provided for the purchase of Federal Securities with such moneys credited to the Escrow Account; and

Authorized the completion and execution of this Agreement; and

WHEREAS, a copy of the Bond Ordinance has been delivered to the Escrow Bank, and the provisions therein set forth are herein incorporated by reference as if set forth herein verbatim in full; and

WHEREAS, the Federal Securities described in Exhibit 1 to this Agreement, if any, have appropriate maturities and yields to insure, together with the Initial Cash (as defined below), the payment of the Refunded Bond Requirements, as the same becomes due; and

WHEREAS, a schedule of receipts from such Federal Securities and a schedule of payments and disbursements in the Report demonstrate the sufficiency of the Federal Securities and Initial Cash, if any, for such purpose; and

WHEREAS, the Escrow Bank is empowered to undertake the obligations and commitments on its part herein set forth; and

WHEREAS, the undersigned officer of the Escrow Bank is duly authorized to execute and deliver this Agreement in the Escrow Bank's name and on its behalf; and

WHEREAS, the City is empowered to undertake the obligations and commitments on its part herein set forth; and

WHEREAS, the undersigned officers of the City are duly authorized to execute and deliver this Agreement in the City's name and on its behalf.

NOW, THEREFORE, THIS ESCROW AGREEMENT WITNESSETH:

That in consideration of the mutual agreements herein contained, in consideration of the fee referred to in Section 9 hereof duly paid by the City to the Escrow Bank at or before the delivery of these presents, the receipt whereof is hereby acknowledged, and in order to secure the payment of the Refunded Bond Requirements as the same become due, the parties hereto mutually undertake, promise, and agree for themselves, their respective representatives, successors and assigns, as follows:

Creation of Escrow.

Simultaneously with the delivery of the Series 2011 Bonds, and subject to their issuance, the City, with \$_____ of the Series 2011 Bond proceeds and other available moneys in the amount of \$_____, shall purchase (to the extent not heretofore purchased) the Federal Securities described in Exhibit 1 to this Agreement (the "Initial Federal Securities") and shall cause the Initial Federal Securities, if any, and an initial cash balance of \$_____ (the "Initial Cash") to be credited to and accounted for in a separate trust account hereby created and designated as the "City of Grand Junction, Colorado, General Fund Revenue Refunding Bonds, Series 2011 Escrow Account" (the "Escrow Account"). Receipt of the Initial Federal Securities and the Initial Cash by the Escrow Bank to be applied as provided herein is hereby acknowledged.

Other Federal Securities may be substituted for any Initial Federal Securities if such Initial Federal Securities are unavailable for purchase at the time of issuance of the Series 2011 Bonds or other Federal Securities may be substituted for any Federal Securities held in the Escrow Account if such substitution is required or permitted by Section 148 of the Internal

Revenue Code of 1986, as amended (the “Tax Code”), and the applicable regulations thereunder, subject in any case to sufficiency demonstrations and yield proofs in a certified public accountant’s report, and subject to a favorable opinion of nationally recognized bond counsel as to the legality of any such substitution, and the continued exemption of interest on the Series 2011 Bonds from federal income taxation, and in any event in such a manner so as not to increase the price which the City pays for the initial acquisition of Federal Securities for the Escrow Account. The certified public accountant’s report must indicate that the receipts from the substitute securities are sufficient without any need for reinvestment to fully pay the Refunded Bond Requirements. In lieu of, or in addition to, substituting other Federal Securities pursuant to the preceding sentence, moneys in an amount equal to the principal of and interest on all or any portion of such Initial Federal Securities may be credited to the Escrow Account subject to the provisions of Section 5 hereof. Any such cash shall be deemed to be part of the Initial Cash, if any. Any Federal Securities temporarily substituted may be withdrawn from the Escrow Account when the Initial Federal Securities are purchased and credited to the Escrow Account. Any moneys temporarily substituted for Initial Federal Securities shall be repaid to the person advancing such moneys when such Initial Federal Securities are purchased and credited to the Escrow Account. Similarly any temporary advancement of moneys to the Escrow Account to pay designated Refunded Bond Requirements because of a failure to receive promptly the principal of and interest on any Federal Securities at their respective fixed maturity dates, or otherwise, may be repaid to the person advancing such moneys upon the receipt by the Escrow Bank of such principal and interest payments on such Federal Securities.

The Initial Cash, the proceeds of the Initial Federal Securities, if any (and of any other Federal Securities acquired as an investment or reinvestment of moneys accounted for in the Escrow Account), and any such Federal Securities themselves (other than Federal Securities, including the Initial Federal Securities, held as book-entries) shall be deposited with the Escrow Bank and credited to and accounted for in the Escrow Account. The securities and moneys accounted for therein shall be redeemed and paid out and otherwise administered by the Escrow Bank for the benefit of the City as provided in this Agreement and the Bond Ordinance.

Purpose of Escrow.

The Escrow Bank shall hold the Initial Cash, all Federal Securities, if any, accounted for in the Escrow Account (other than Federal Securities, including the Initial Federal Securities, held as book-entries), and all moneys received from time to time as interest on and principal of such Federal Securities, in trust to secure and for the payment of the Refunded Bond Requirements, as the same become due.

Except as provided in Paragraph B of Section 1 hereof, the Escrow Bank shall collect the principal of and interest on such Federal Securities promptly as such principal and interest become due and shall apply all money so collected to the payment of the Refunded Bond Requirements as aforesaid.

Accounting for Escrow.

The moneys and the Federal Securities, if any, accounted for in the Escrow Account shall not be subject to checks drawn by the City or otherwise subject to its order except as otherwise provided in Paragraph B of Section 1, and in Section 8 hereof.

The Escrow Bank shall transfer from time to time, sufficient moneys to pay, without default, the Refunded Bond Requirements, as the same become due, as provided herein.

Except as otherwise provided in Paragraph B of Section 1 of this Agreement, there shall be no sale of any Federal Securities held hereunder, and no Federal Securities held hereunder and callable for prior redemption at the City's option shall be called at any time for prior redemption, except if necessary to avoid a default in the payment of the Refunded Bond Requirements.

Maturities of Federal Securities.

Any Federal Securities shall be purchased in such manner:

So that such Federal Securities may be redeemed in due season at their respective maturities to meet the Refunded Bond Requirements as the same become due, and

So that any sale or prior redemption of such Federal Securities shall be unnecessary.

There shall be no substitution of any Federal Securities except as otherwise provided in Paragraph B of Section 1 of this Agreement.

Reinvestments.

The Escrow Bank shall reinvest the cash balances listed in the Report for the period designated in the Report in State and Local Government Series (“SLGS”) securities purchased directly from the United States Government by the Escrow Bank in the name of the City. If SLGS are not available, the Escrow Bank shall purchase securities and otherwise comply with any applicable federal regulations. All of the SLGS in which such reinvestments are made shall bear interest at the rate of 0% per annum. The Escrow Bank agrees to comply with Part 344 of Title 31, Code of Federal Regulations, and with such other regulations of the United States Treasury, Bureau of Public Debt, as are from time to time in effect in subscribing for and purchasing such SLGS, including without limitation, requirements with respect to submitting subscriptions to a Federal Reserve Bank or Branch in advance (currently between 60 and 15 days in advance) of the date of purchase of the SLGS.

In addition to or, as the case may be, in lieu of the reinvestments required by Paragraph A of this Section 5, the Escrow Bank, at the written direction of the City, shall invest the Initial Cash, if any, and shall reinvest in Federal Securities any moneys received in payment of the principal of and interest on any Federal Securities accounted for in the Escrow Account, subject to the limitations of Sections 1, 4 and 6 hereof and the following limitations:

Any such Federal Securities shall not be subject to redemption prior to their respective maturities at the option of their issuer.

Any such Federal Securities shall mature on or prior to the date or dates when the proceeds thereof must be available for the prompt payment of the Refunded Bond Requirements of the Refunded Bonds.

Under no circumstances shall any reinvestment be made under this Paragraph B if such reinvestment, alone or in combination with any other investment or reinvestment, violates the applicable provisions of Section 148 of the Tax Code, and the rules and regulations thereunder.

The Escrow Bank shall make no such reinvestment unless the City first obtains and furnishes to the Escrow Bank a written opinion of the City’s bond counsel to the effect that such reinvestment, as described in the opinion, complies with Paragraph B of this Section 5.

Sufficiency of Escrow. The moneys and Federal Securities accounted for in the Escrow Account shall be in an amount (or have appropriate maturities and yields to produce an amount) which at all times shall be sufficient to pay the Refunded Bond Requirements as they become due.

Transfers. The Escrow Bank shall make arrangements with and transfers to the paying agent for the Refunded Bonds as will assure, to the extent of money in the Escrow Account properly allocable to and available therefor, the timely payment of the Refunded Bond Requirements.

Termination of Escrow Account. When payment or provisions for payment shall have been made with the paying agent for the Refunded Bonds so that all Refunded Bond Requirements shall have been paid in full and discharged, the Escrow Bank shall immediately pay over to the City the moneys, if any, then remaining in the Escrow Account and shall make forthwith a final report to the City. Such moneys may be used by the City for any lawful purpose, subject to any limitations in the Bond Ordinance.

Fees and Costs.

The Escrow Bank shall be paid a one-time fee of \$_____ for carrying out its duties under this Agreement. The Escrow Bank's fee is being paid by the City upon the issuance of the Series 2011 Bonds with a portion of the proceeds of the Series 2011 Bonds.

Such payment for services rendered and to be rendered by the Escrow Bank shall not be for deposit in the Escrow Account, and the fees of and the costs incurred by the Escrow Bank shall not be deducted from such account.

Status Report.

By June 1 of each of the years 2012 through 2014, the Escrow Bank shall submit to the City a report covering all money which the Escrow Bank shall have received and all payments which it shall have made or caused to be made hereunder.

The report shall indicate for which period and in which trust bank any Federal Securities (other than Federal Securities held as book-entries) and any uninvested moneys were transferred for safekeeping or any Federal Securities (other than Federal Securities held as book-entries) pledged to secure the repayment to the City of any uninvested moneys were placed in pledge, as permitted by Section 12.

Promptly following the Redemption Date, the Escrow Bank shall: (i) send to the City a notice stating that the City must pay over to the federal government not later than sixty (60) days after the redemption of the Refunded Bonds, the amount of required arbitrage rebate, if any, due under Sections 103 and 148(f)(2) of the Tax Code, and (ii) provide to the City any records or other information which may be necessary in order to determine the amount, if any, owed under clause (i) of this paragraph C.

Character of Deposit.

It is recognized that title to the Federal Securities and money accounted for in the Escrow Account from time to time shall remain vested in the City or in the Escrow Bank on behalf of the City but subject always to the prior charge and lien thereon of the Bond Ordinance and this Agreement and the use thereof required to be made by the provisions of this Agreement and the Bond Ordinance.

The Escrow Bank shall hold all such Federal Securities (except as they may be held as book-entries) and money in the Escrow Account as a special trust fund and account separate and wholly segregated from all other securities and funds of the Escrow Bank or deposited therein, and shall never commingle such securities or money with other securities or money.

Securing Deposit.

The Escrow Bank may cause the Federal Securities accounted for in the Escrow Account to be registered in the name of the Escrow Bank for payment, if they are registrable for payment.

No money paid into and accounted for in the Escrow Account shall ever be considered as an asset of the Escrow Bank and the Escrow Bank shall have no right or title with respect thereto except as provided herein.

Holder's Responsibility. The holders from time to time of the Series 2011 Bonds shall in no manner be responsible for the application or disposition of the proceeds thereof or any moneys or Federal Securities accounted for in the Escrow Account. This clause shall not relieve the Escrow Bank (if it is a holder of the Series 2011 Bonds), in its capacity as Escrow Bank, from its duties under this Agreement.

Amendment.

The Series 2011 Bonds shall be issued in reliance upon this Agreement and except as herein provided this Agreement shall be irrevocable and not subject to amendment after any of the Series 2011 Bonds shall have been issued.

The provisions of this Agreement may be amended, waived or modified upon approval of the holders of all of the Refunded Bonds and Series 2011 Bonds. The provisions of this Agreement also may be amended, waived or modified, without the consent of or notice to the holders of the Refunded Bonds or the Series 2011 Bonds, for one or more of the following purposes:

to cure any ambiguity, or to cure, correct or supplement any formal defect or omission or inconsistent provision contained in this Agreement;

to pledge additional revenues, properties or collateral as security for the Refunded Bonds; or

to deposit additional monies or Federal Securities to the Escrow Account.

Notwithstanding any other provision hereof no amendment, modification or waiver shall be effective if it is materially prejudicial to the owners of the Refunded Bonds or affects the exclusion of the interest on the Refunded Bonds or the Series 2011 Bonds, from gross income from federal income tax purposes, unless such amendment, waiver or modification is approved by the holders of all of the then outstanding Refunded Bonds and the Series 2011 Bonds affected thereby.

Exculpatory Provisions.

The duties and responsibilities of the Escrow Bank are limited to those expressly and specifically stated in this Agreement.

The Escrow Bank shall not be liable or responsible for any loss resulting from any investment or reinvestment made pursuant to this Escrow Agreement and made in compliance with the provisions hereof.

The Escrow Bank shall not be personally liable or responsible for any act which it may do or omit to do hereunder while acting with reasonable care, except for duties expressly imposed upon the Escrow Bank hereunder or as otherwise expressly provided herein.

The Escrow Bank shall neither be under any obligation to inquire into or be in any way responsible for the performance or nonperformance by the City of any of its obligations, nor

shall the Escrow Bank be responsible in any manner for the recitals or statements contained in this Agreement (except those made by the Escrow Bank in this Agreement), the Bond Ordinance, in the Refunded Bonds, or in any proceedings taken in connection therewith, such recitals and statements being made solely by the City.

Nothing in this Agreement creates any obligation or liabilities on the part of the Escrow Bank to anyone other than the City and the holders of the Refunded Bonds.

Time of Essence. Time is of the essence in the performance of the obligations from time to time imposed upon the Escrow Bank by this Agreement.

Successors.

Whenever in this Agreement the City or the Escrow Bank is named or is referred to, such provision is deemed to include any successor of the City or the Escrow Bank, respectively, immediate or intermediate, whether so expressed or not. The rights and obligations under this Agreement may be transferred by the Escrow Bank to a successor. Any corporation or association into which the Escrow Bank may be merged or converted or with which the Escrow Bank may be consolidated or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which the Escrow Bank may be a party or any corporation or association to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Bank without the execution or filing of any document or any further act, anything herein to the contrary notwithstanding.

All of the stipulations, obligations, and agreements by or on behalf of and other provisions for the benefit of the City or the Escrow Bank contained in this Agreement:

Shall bind and inure to the benefit of any such successor, and

Shall bind and inure to the benefit of any officer, board, City, agent, or instrumentality to whom or to which there shall be transferred by or in accordance with law any relevant right, power, or duty of the City or the Escrow Bank, respectively, or of its successor.

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

Jurisdiction and Venue. The rights of the City under this Agreement shall be deemed to be a contract made under and shall be construed in accordance with and governed by the laws of the State of Colorado. Jurisdiction and venue for any disputes related to this Agreement shall be in United States City Court for the City of Colorado.

Notices. Any notice to be given hereunder shall be delivered personally or mailed postage prepaid, return receipt requested, to the following addresses:

If to the City: City of Grand Junction, Colorado
250 North 5th Street
Grand Junction, CO 81501
Attn: Financial Operations Manager

If to the Escrow Bank: UMB Bank, n.a.
1670 Broadway
Denver, CO 80202
Attention: Corporate and Escrow Trust Services

If to the Bond Insurer
of the Refunded Bonds: Ambac Assurance Corporation
One State Street Plaza, 15th Floor
New York, NY 10004
Attn: Communications Department

If to the Underwriters
of the Refunded Bonds: D.A. Davidson & Co.
1600 Broadway Street, Suite 1100
Denver, CO 80202

George K. Baum & Company
1400 Wewatta Street, Suite 800
Denver, CO 80202

or such other address as either party may, by written notice to the other party, hereafter specify. Any notice shall be deemed to be given upon mailing.

Exercise of Option. The City Council has elected and does hereby declare its intent to exercise on the behalf and in the name of the City its option to redeem the Refunded Bonds on the applicable Redemption Date. The City hereby authorizes and directs the Escrow Bank, as registrar for the Refunded Bonds, to give notice of refunding, defeasance and redemption of the Refunded Bonds to the registered owners of the Refunded Bonds as soon as practicable after delivery of the Series 2011 Bonds and again not more than 60 days nor less than 30 days prior to the Redemption Date. Such notices shall be given in accordance with the applicable provisions of the ordinance authorizing the Refunded Bonds.

Form of Notice. The notice so to be given shall be in substantially the following form:

(Form of Notice)

**NOTICE OF REFUNDING, DEFEASANCE AND REDEMPTION
CITY OF GRAND JUNCTION, COLORADO
GENERAL FUND REVENUE BONDS, SERIES 2004**

CUSIP NOS:

**385789 AD4; 385789 AE2; 385789 AF9; 385789 AG7; 385789 AH5;
385789 AJ1; 385789 AK8; 385789 AL6; 385789 AM4; 385789 AN2; 385789 AP7**

NOTICE IS HEREBY GIVEN that the City of Grand Junction, Colorado, will cause to be deposited in escrow with UMB Bank, n.a., as successor (the "Paying Agent"), refunding bond proceeds and other moneys that will be invested (except for a small initial cash balance remaining uninvested) in certificates of indebtedness, notes, bonds and similar securities which are direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or ownership interests in any of the foregoing) and which are not callable prior to their scheduled maturities by the issuer thereof (or an ownership interest in any of the foregoing), to refund, pay, redeem, and discharge the principal and interest in connection with the City's General Fund Revenue Bonds, Series 2004 (the "Bonds"), as more particularly described below.

The Bonds maturing on and after March 1, 2014 (the "Refunded Bonds") will be called for payment and redemption on March 1, 2014 (the "Redemption Date"). On the Redemption Date, the Refunded Bonds will become due and payable at the principal office of the Paying Agent at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the Redemption Date, and thereafter interest will cease to accrue.

According to a report of a firm of certified public accountants, licensed to practice in Colorado, the escrow, including the known minimum yield from such investments and any temporary reinvestments and the initial cash balance remaining uninvested, will be fully sufficient at the time of the deposit and at all times subsequent, to pay the principal amount of the Refunded Bonds on the Redemption Date, and interest accruing on and after the date of the deposit and on and before the Redemption Date.

Pursuant to federal law, the Paying Agent is required to withhold a portion of the principal of your bond redeemed unless the Paying Agent is provided with your Social Security Number or Taxpayer Identification Number, properly certified or submitted on a Form W-9. A completed Form W-9 should be presented with your bond.

The above-referenced CUSIP numbers were assigned to this issue by Standard & Poor's Corporation and are intended solely for bondholders' convenience. Neither the Paying Agent nor the City shall be responsible for selection or use of the CUSIP numbers, nor is any representation made as to their correctness on the Refunded Bonds or as indicated in any redemption notice.

Dated _____.

UMB BANK, n.a., as Registrar

By: _____

Title: Senior Vice President

(End Form of Notice)

IN WITNESS WHEREOF, the **CITY OF GRAND JUNCTION, COLORADO**, has caused this Escrow Agreement to be signed in the City's name by the President of the City Council of the City, and to be attested by the City Clerk of the City, with the seal thereof hereunto affixed; and **UMB BANK, n.a.**, Denver, Colorado, has caused this Escrow Agreement to be signed in its corporate name by one of its Vice Presidents, all as of the day and year first above written.

**CITY OF GRAND JUNCTION,
COLORADO**

By _____
President of the City Council

(SEAL)

Attest:

City Clerk

UMB BANK, n.a.

By: _____
Senior Vice President

EXHIBIT 1

(Attach Certified Public Accountant's Report)

City of Grand Junction, Colorado
General Fund Revenue Refunding Bonds, Series 2011

REGISTRAR AND PAYING AGENT AGREEMENT

THIS AGREEMENT, dated December __, 2011, is by and between the City of Grand Junction, Colorado (the "City"), and Zions First National Bank, in Denver, Colorado (the "Bank").

WITNESSETH:

WHEREAS, by Ordinance of the City Council of the City duly adopted on November 2, 2011 (the "Bond Ordinance"), the City has authorized the issuance of its General Fund Revenue Refunding Bonds, Series 2011, in the aggregate principal amount of \$ _____ (the "Bonds"); and

WHEREAS, it is mutually desirable to the City and the Bank that the Bank, through its Corporate Trust Department located in Denver, Colorado, act as Registrar and Paying Agent (as such terms are defined and used in the Bond Ordinance) for the Bonds; and

WHEREAS, it is mutually desirable that this agreement (the "Agreement") be entered into between the City and the Bank to provide for certain aspects of such Registrar and Paying Agent services.

NOW, THEREFORE, the City and the Bank, in consideration of the mutual covenants herein contained, agree as follows:

The Bank hereby accepts all duties and responsibilities of the Paying Agent as provided in the Bond Ordinance. The Bank shall cause the Bonds to be honored in accordance with their terms, provided that the City causes to be made available to the Bank all funds necessary in order to so honor the Bonds. Nothing in this Agreement shall require the Bank to pay or disburse any funds in excess of the amount then on deposit in the "2011 Principal and Interest Payment Account" provided for in Section 2 of this Agreement. Nothing in this Agreement shall require the City to pay or disburse any funds for payment of the principal of the Bonds or interest or redemption premium, if any, thereon except at the times and in the manner provided in the Bond Ordinance. In addition, the Bank hereby accepts all duties and responsibilities of the Registrar as provided in the Bond Ordinance, including without limitation, the authentication, transfer, exchange and replacement of the Bonds.

Not less than (a) one business day prior to each payment date, if funds are delivered by wire transfer, or (b) three business days prior to each payment date if funds are delivered by another method of payment, funds for the payment of the Bonds and interest thereon are to be deposited by the City with the Bank in an account designated "2011 Principal and Interest Payment Account." The funds so deposited shall be held and applied by the Bank through its Corporate Trust Department solely for the payment of principal of, interest on and redemption premium, if any, on the Bonds. From such funds, the Bank agrees to pay at the times

and in the manner provided in the Bond Ordinance, the principal of, interest on and redemption premium, if any, on the Bonds.

The City shall pay to the Bank fees in accordance with its then existing fee schedule. Attached to this Agreement as Exhibit A is the Bank's current fee schedule. No new fee schedule shall become effective until 30 days after the Bank has given the City notice hereof.

Unless waived by the Bank, the City agrees to provide the Bank with not less than 60 days' notice of any prior redemption of the Bonds.

Any moneys held by the Bank for the owners of the Bonds remaining unclaimed for one year after principal of, interest and redemption premium, if any, on the respective Bonds with respect to which such moneys have been set aside has become due and payable shall, without further request by the City, be paid to the City.

The Bank agrees to annually notify the City, in writing, of the City's obligation to file its Annual Report (as such term is defined in the Continuing Disclosure Certificate dated December __, 2011, relating to the issuance of the Bonds) at least 30 but not more than 60 days prior to the time when the Annual Report is required to be filed pursuant to the terms of the Continuing Disclosure Certificate.

At least 30 but not more than 60 days prior to December __, 2016, December 1, 2020, and on the date on which the last Bond is discharged, the Bank will send written notice to the City stating that the City must: (i) compute the amount of rebatable arbitrage, if any, which is due the federal government pursuant to Sections 103 and 148(f) of the Internal Revenue Code of 1986, as amended, and (ii) pay such amount no later than sixty (60) days from March 1, 2012, and on the date on which the last Bond is discharged.

This Agreement may be terminated as provided in the Bond Ordinance.

In the event of any conflict between the provisions of this Agreement and the provisions of the Bond Ordinance, the provisions of the Bond Ordinance shall be controlling.

The rights of the City under this Agreement shall be deemed to be a contract made under and shall be construed in accordance with and governed by the laws of the State of Colorado. Jurisdiction and venue for any disputes related to this Agreement shall be in United States District Court for the District of Colorado.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Bank and the City have caused this Agreement to be duly executed and delivered as of the day and year first above written.

CITY OF GRAND JUNCTION, COLORADO

(SEAL)

By: _____
President of the City Council

ATTESTED:

City Clerk

ZIONS FIRST NATIONAL BANK

By: _____
Senior Vice President

EXHIBIT A
(Attach Fee Schedule)



Date: November 1, 2011
 Author: Stephanie Tuin
 Title/ Phone Ext: City Clerk,
X1511
 Proposed Schedule: _____
November 14, 2011
 2nd Reading
 (if applicable): _____
 File # (if applicable): _____

Attach 4
Amending Council Assignments for 2011-2012

CITY COUNCIL AGENDA ITEM

Subject: Amending Council Assignments for 2011 - 2012
Action Requested/Recommendation: Adopt Proposed Resolution .
Presenter(s) Name & Title: City Council

Executive Summary:

At their October 31, 2011 workshop, the City Council directed Staff to prepare a resolution amending the assigned Council member to the Grand Junction Regional Airport Authority and the 5-2-1 Drainage Authority.

Background, Analysis and Options:

The City Council assigns its members to represent the governing body on a variety on Council appointed boards, committees and commissions as well as a number of outside organizations. Those assignments are subject to change throughout the year at the City Council's direction.

How this item relates to the Comprehensive Plan Goals and Policies:

NA

Board or Committee Recommendation:

NA

Financial Impact/Budget:

None.

Legal issues:

None.

Other issues:

None.

Previously presented or discussed:

The City Council discussed this at a workshop held on October 31, 2011.

Attachments:

Proposed Resolution with amended assignment list

RESOLUTION NO. ____-11

**A RESOLUTION AMENDING RESOLUTION NO. 24-11 APPOINTING AND
ASSIGNING CITY COUNCILMEMBERS TO REPRESENT THE CITY
ON VARIOUS BOARDS, COMMITTEES, COMMISSIONS AND ORGANIZATIONS**

Recitals:

Through various boards, committees, commissions and organizations the citizens of the City have a longstanding tradition of service to the community. The City Council by and through its creation of many of those boards and its participation there on and there with is no exception. The City is regularly and genuinely benefitted by the service performed by its boards, committees, commissions and organizations.

In order to continue that service the City Council annually or at convenient intervals designates certain Council members to serve on various boards, committees and commissions.

The City Council discussed amending the 2011-2012 assignments for the Grand Junction Regional Airport Authority Board and the 5-2-1 Drainage Authority Board at its October 31, 2011 workshop and directed Staff to prepare a resolution for the November 14, 2011 City Council meeting.

All other assignments made by Resolution No. 24-11 adopted by the City Council on May 16, 2011 shall remain in effect.

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

Until further action by the City Council, the amended appointments and assignments of the members of the City Council are as attached.

PASSED AND ADOPTED THIS _____ day of _____, 2011

President of the City Council

ATTEST:

City Clerk

CITY COUNCIL FORMAL AMENDED ASSIGNMENTS

Individual Members are assigned for each of the following:

Board/Organization	Meeting Day/Time/Place	2011 Assignments
Grand Junction Regional Airport Authority	Generally the 1 st & 3 rd Tuesday @ 5:15 pm @ Residence Inn (Crawford Room)	Tom Kenyon
5-2-1 Drainage Authority	Meets the 4 th Wednesday of month at 3:30 p.m. in the Old Courthouse in Multi Purpose Room	Sam Susuras



Date: October 28, 2011
 Author: Duane Hoff Jr.
 Title/ Phone Ext: Buyer - 1545
 Proposed Schedule:
November 14, 2011
 2nd Reading
 (if applicable): _____
 File # (if applicable): _____

Attach 5
23 Road and G Road Intersection Reconstruction

CITY COUNCIL AGENDA ITEM

Subject: 23 Road & G Road Intersection Reconstruction
Action Requested/Recommendation: Authorize the Purchasing Division to Enter into a Contract with M.A. Concrete Construction, Inc. of Grand Junction, Colorado for the Construction of a Roundabout at the Intersection of 23 Road & G Road.
Presenter(s) Name & Title: Tim Moore, Public Works and Planning Director Jay Valentine, Assistant Financial Operations Manager

Executive Summary:

This is the contract award for the construction of a roundabout to replace an existing four-way intersection at 23 Road and G Road. The majority of this project is funded by the Federal Highway Administration’s (FHWA) Surface Transportation Improvement Program and partially funded by the City of Grand Junction’s Capital Improvement Project (CIP) Fund. This program is administered by the Colorado Department of Transportation (CDOT).

Background, Analysis and Options:

The 23 Road and G Road intersection is currently considered one of the most dangerous intersections on the City’s transportation network. Since year 2000, there have been two fatalities and dozens of injuries sustained from automobile accidents at this intersection. In order to provide a safer intersection for the public to use, the City has determined that the safest and most reasonable solution would be to construct a modern day roundabout.

In 2006, the City of Grand Junction began pursuing funds through the Surface Transportation Improvement Program which is offered through CDOT, and approved by the FHWA. This program is offered by CDOT as a way for local agencies to receive federal money to help fund approved projects. The 23 Road and G Road Intersection Reconstruction project is part of the Hazard Elimination category of this program.

This project is located in an industrial area that experiences high truck volumes. As a result, this roundabout has been designed to accommodate the turning movements of large interstate transport trucks, while maintaining the safe characteristics that roundabouts offer to passenger cars.

A formal solicitation was issued through BidNet (an on-line site for governmental bid document distribution), posted on the City's internet, advertised in the Daily Sentinel and the Denver Daily Journal, and sent to the Western Colorado Contractors Association (WCCA).

M.A. Concrete Construction, Inc. of Grand Junction, CO was the apparent low bidder with a bid of \$722,761.75.

Bids were received from the following companies:

Company	Location	Amount
M.A. Concrete Const.	Grand Junction, CO	\$722,761.75
Sorter Construction	Grand Junction, CO	\$815,213.00
Skyline Contracting	Grand Junction, CO	\$816,748.00
Oldcastle SW Group	Grand Junction, CO	\$832,070.20
Elam Construction	Grand Junction, CO	\$912,052.30
Gould Construction	Glenwood Spgs, CO	\$938,655.50
Vista Paving Corp.	Grand Junction, CO	\$957,576.87
American Civil Const.	Littleton, CO	\$984,941.75
Triad Western Const.	Cortez, CO	\$992,663.00

This project is scheduled to begin January 23, 2012 and final completion is expected to be by mid May 2012.

How this item relates to the Comprehensive Plan Goals and Policies:

Goal 9: Develop a well-balanced transportation system that supports automobile, local transit, pedestrian, bicycle, air, and freight movement while protecting air, water and natural resources.

This project will provide increased public safety by eliminating one of the most dangerous four-way intersections in the City.

Board or Committee Recommendation:

N/A

Financial Impact/Budget:

The approved funding to complete this project is in the City's Sales Tax CIP Fund with eligible reimbursement through CDOT.

Project Costs:

Total Construction Contract Amount -	\$722,761.75
Grand Valley Power Street Lights -	\$ 42,000.00
Ute Water Installed Water Tap and Meter Pit -	\$ 2,000.00
City Inspection Services -	\$ 30,000.00
Estimated City Design Services -	\$ 30,000.00
Right-of-Way Acquisition -	\$134,518.00
Contract Administration -	\$ 15,000.00
Total Estimated Project Cost -	\$976,279.75
Anticipated Federal Reimbursement -	(\$807,309.39)
City's Estimated Total Project Cost -	\$168,970.36

Legal issues:

N/A

Other issues:

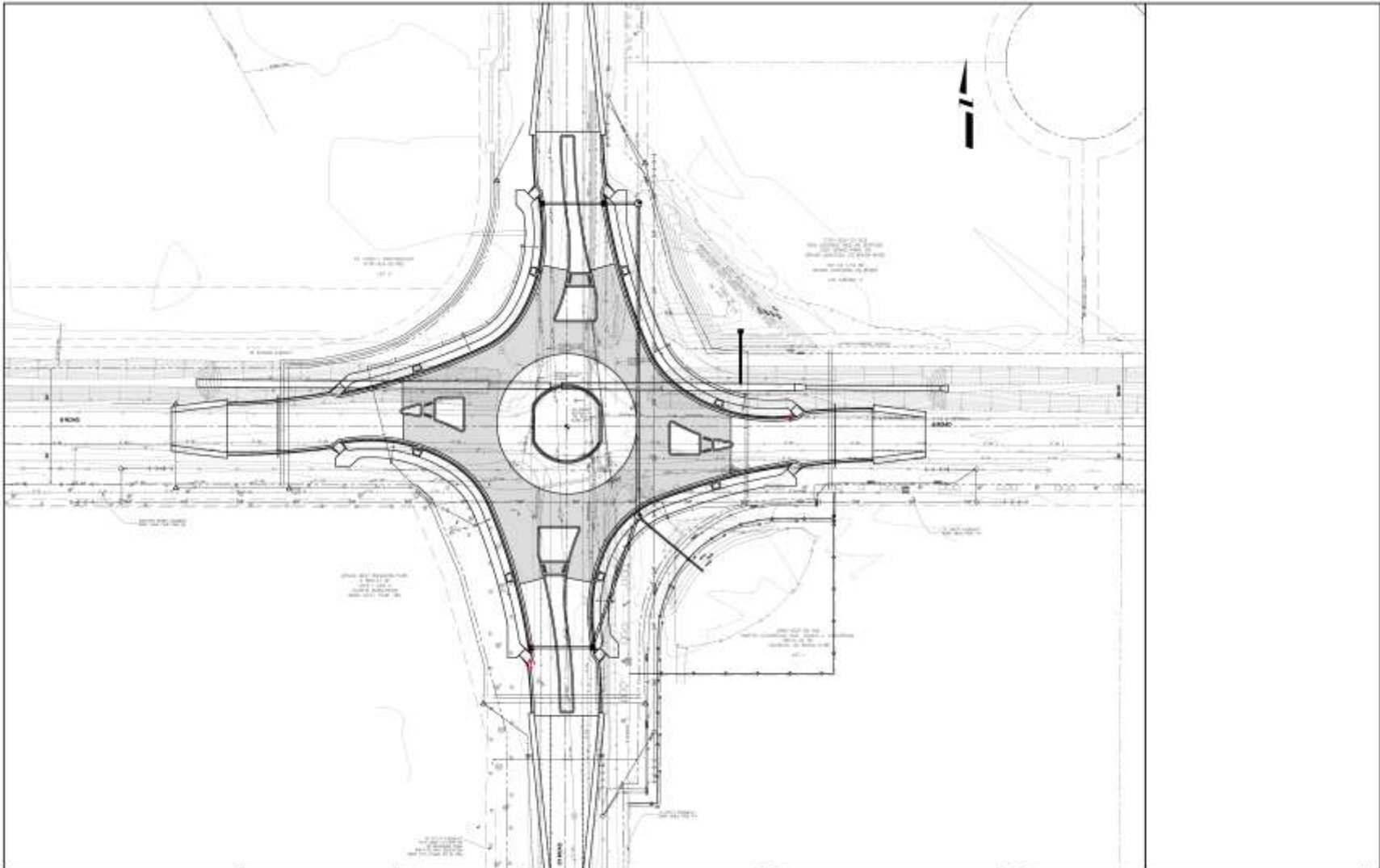
N/A

Previously presented or discussed:

- On November 17, 2008, City Council authorized the City Manager to sign a contractual agreement with CDOT to use the Federal funds for the 23 Road and G Road Intersection Improvement Project.
- On November 29, 2010, City Council authorized the City Manager to sign Contract Amendment #1 between the City and CDOT which added \$196,358.00 of Local Agency Over-Matching Funds to this Project.

Attachments:

Exhibit showing proposed roundabout at the 23 Road and G Road intersection.



REVISION	DESCRIPTION	DATE	DESIGNED BY	DATE	CHECKED BY	DATE
REVISION A			DESIGNED BY: JH	DATE: 1/2009	CHECKED BY:	
REVISION B			DESIGNED BY: ALC	DATE: 3/2009	CHECKED BY:	
REVISION C			DESIGNED BY: 991	DATE: 8/2011	CHECKED BY:	
REVISION D			DESIGNED BY:	DATE:	CHECKED BY:	



**PUBLIC WORKS
AND PLANNING
ENGINEERING DIVISION**

23 ROAD AND G ROAD ROUNDABOUT