

**Minutes of the
Grand Junction Colorado State Leasing Authority
Board of Directors
Tuesday, August 22, 2006
Grand Junction City Hall- 2nd Floor**

Members Present: Samuel Baldwin, Ann Driggers, James Fleming, William Sisson and David Varley

Other Parties Present: Arnold Ray (Colorado Bureau of Investigation), Brad Keller and Shane Haas (FCI Constructors), Kirk Rider and Lloyd Quesenberry (Younge & Hockensmith), Rob Oppenborn and Roy Blythe (Blythe Design), and Amanda Crysler (Grand Junction Economic Partnership).

1. Call to Order:

Ms. Driggers called the first meeting of the Grand Junction Colorado State Leasing Authority (GJCSLA) to order at 8:35 a.m.

2. Adopt Bylaws:

Mr. Rider of Younge & Hockensmith, presented the GJCSLA Board Bylaws. He highlighted that the City of Grand Junction can remove any of the board members at any time and that the GJCSLA will need to go through an annual audit. A few board members asked questions that were answered by Mr. Rider.

Mr. Baldwin moved to approve the Bylaws. Mr. Fleming seconded the motion, which passed unanimously.

3. Appointment of Officers

As directed by the Bylaws, nominations were needed for President, Vice President and Secretary/Treasurer of the board.

Mr. Sisson moved to appoint Mr. Baldwin as President of the board. Mr. Fleming seconded the motion, which passed unanimously. Mr. Baldwin accepted the appointment.

Mr. Baldwin took over presiding the meeting and entertained motions to nominate Vice President and Secretary/Treasurer.

Mr. Fleming moved to appoint Ms. Driggers as Vice President of the board. Mr. Sisson seconded the motion, which passed unanimously. Ms. Driggers accepted the appointment.

Mr. Sisson moved to appoint Mr. Fleming as Secretary/Treasurer of the board. Mr. Varley seconded the motion, which passed unanimously. Mr. Fleming accepted the appointment.

The Board then discussed how the GJCSLA operations would be managed and staffed from day to day. Mr. Rider observed that the organization would eventually require little in the way of staff effort and infrastructure. However, while the CBI Lease, the FCI contract and the bond financing were all being finalized, the organization would need someone to administer these tasks and maintain communication and paper trails among the participants and board members. Upon motion duly made, seconded and unanimously adopted, Ann Driggers of the Grand Junction Economic Partnership (GJEP) was appointed the administrator for GJCSLA.

4. Document Review- FCI Contract

Mr. Baldwin turned the board discussion to Mr. Rider and Mr. Quesenberry regarding the contract with FCI Constructors to design and build the facility for the Colorado Bureau of Investigation (CBI).

Mr. Rider asked that the board review the Standard Form of Agreements and the General Conditions of the contract.

Discussion and explanation of the contract involved input from CBI Representative Arnold Ray, Representatives from FCI, Brad Keller and Shane Haas, and Representatives from Blythe & Design, Rob Oppenborn and Roy Blythe. Discussion ensued for a lengthy period regarding the details of the contract.

During the discussion, it was decided that the next board meeting would take place on September 12, 2006 at FCI Constructors, 12noon. This meeting will follow the schematic design presentation by FCI and Blythe & Design to CBI, which will take place earlier that morning. The FCI Contract will be approved at this meeting.

5. Administration

Due to the lengthy contract discussion, Mr. Baldwin proposed carrying over most of the Administration agenda items to the next board meeting, and handle only the items regarding opening a bank account and selecting counsel for the board.

Open Bank Account

Mr. Sisson dismissed himself from this discussion. Mr. Fleming moved to open the GJCSLA bank account at American National Bank, noting that only officers will be signers and dual signatures will be required for checks over \$5,000.00. Ms. Driggers seconded the motion, which passed unanimously with Mr. Sisson abstaining from the vote.

Appointment of Counsel

Mr. Sisson rejoined the meeting. Mr. Rider advised the Board of the work that Younge & Hockensmith had undertaken in furtherance of the CBI project while the organization was completing its organization, and reviewed the work remaining to be done. He explained that Younge & Hockensmith was brought on board as bond counsel when the CBI team submitting the proposal was first formed. The firm's work in that respect would be to form the authority, document the bond issue, draft the CBI Lease and prepare the disclosure document for investors to review before purchasing the bonds. The fee

for that work is to be a fixed fee of \$90,000, payable only if and when the authority's bond issue is closed.

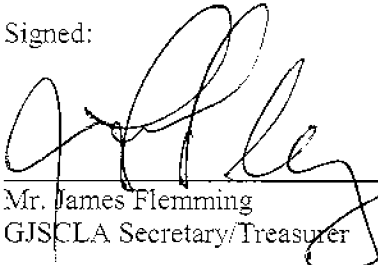
Other legal work is also being required by the GJCSLA unrelated to the bond issue. This includes, for example, the work involved in completing the FCI contract. This work will just be billed on a time and expense basis as performed. Of course, the authority will have no source of payment for these charges until the bonds are sold and then rent revenues eventually commence. The State, he related, hopes to establish some fund balances for these costs and other incidental operating expenses when the bonds are issued.

Accordingly, upon motion duly made, seconded and unanimously, the board approved the engagement of Younge & Hockensmith, P.C. as bond counsel and as counsel to the authority, and directed Ann Driggers to sign the written engagement agreements that the firm would prepare along the lines discussed at the meeting.

6. Adjournment

With no further discussion, Ms. Driggers moved to adjourn the meeting. Mr. Fleming seconded the motion, which passed unanimously. The meeting adjourned at 10:10 a.m.

Signed:


Mr. James Flemming
GJSCLA Secretary/Treasurer

9-12-06
Date