

CITY OF GRAND JUNCTION, COLORADO

**Procedures for ongoing compliance with
Sections 141 and 148 of the Internal Revenue Code**

These procedures and the tax certificate and Form 8038-G filed for each issue of tax-exempt bonds will be reviewed by the Financial Operations Manager or another officer or employee of the City designated by the Financial Operations Manager in writing (the "Compliance Officer") (i) on or prior to each five-year anniversary date of the issue date of the bonds; (ii) on or within 30 days of the date the bonds are retired, defeased or refunded; (iii) on or prior to the date of any rebate payment made if that date is not within 60 days of one of the dates mentioned in (i) or the date the bonds are retired, defeased or refunded; (iv) at the time of any change in use of any asset that was funded with a material amount of bond proceeds; and (v) at the time of the occurrence or non-occurrence of any other event that could affect the tax status of the bonds as indicated in the tax certificate (e.g., the occurrence of an event which the tax certificate represents will not occur or is not expected to occur, or the non-occurrence of an event the tax certificate represents will or is expected to occur). In addition, the Compliance Officer will conduct annual compliance checks of the current status of the proceeds of each issue of tax-exempt bonds and the current use of the facilities financed by tax-exempt bonds. These reviews will be made for the purposes of identifying any possible violation of federal tax requirements and to ensure the timely correction of those violations with remedial action described in the regulations of the United States Department of the Treasury or through the Tax-Exempt Bonds Voluntary Closing Agreement Program. If a possible violation is identified, the Compliance Officer will consult with bond counsel as to the appropriate steps to take.

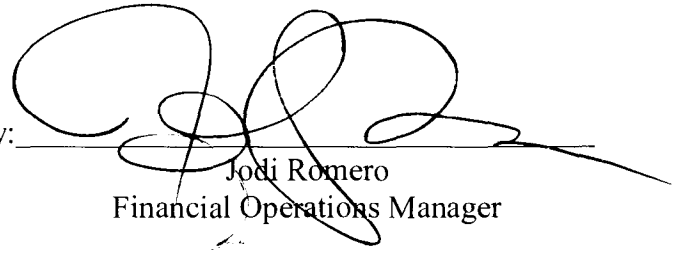
In addition, the Compliance Officer has sufficient knowledge and will monitor the compliance of the City's bond issues with the rebate and yield restriction requirements of Section 148 of the Internal Revenue Code in appropriate circumstances (e.g., where investments are made during a temporary period at a yield in excess of the bond yield, and if any the investments above the bond yield extend beyond the temporary period). If any event of non-compliance is discovered by the Compliance Officer or otherwise, the Compliance Officer will consult with bond counsel as to the appropriate action to take to remedy the non-compliance, including payment of late payment interest and penalties on rebate and yield reduction payments and through use of the Tax-Exempt Bond Voluntary Closing Agreement Program.

As part of the training of any successor, the Compliance Officer will review the requirements of these procedures, the tax certificate and Form 8038-G for each issue of tax-exempt bonds with the successor as part of the successor's transition into office. Any successor Compliance Officer will be encouraged to adopt these procedures as his or her own.

The City will retain all records relating to tax-exempt bonds and compliance with the requirements of the Internal Revenue Code until at least three years after the last bond of an issue (or any later issue that refinances the issue) is paid and discharged.

Adopted: January 23, 2012.

By:

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Jodi Romero
Financial Operations Manager