AGENDA
REGULAR MEETING OF THE CITY COUNCIL
CITY OF LAKEWOOD, COLORADO
VIRTUAL MEETING
AUGUST 10, 2020
7:00 P.M.

To watch the Council meeting live, please use either one of the following links:

City of Lakewood Website:  https://www.Lakewood.org/CouncilVideos
or
Lakewood Speaks:  https://lakewoodspeaks.org/

Phone Number for Public Comment:  (1 646 558 8656)
Webinar ID:  (956 8471 7277)
(press # after entering the webinar id then press # once more to join the meeting)
Press *9 to Request to Speak
(You will be prompted when to speak. After speaking, you can hang up or hold to speak
on a different agenda item)

The City of Lakewood does not discriminate on the basis of race, age, national origin,
color, creed, religion, sex, sexual orientation or disability in the provision of services.
People with disabilities needing reasonable accommodation to attend or participate in a
City service program, can call 303-987-7080 or TDD 303-987-7057. Please give notice
as far in advance as possible so we can accommodate your request.

ITEM 1 – CALL TO ORDER

ITEM 2 – ROLL CALL

ITEM 3 – PLEDGE OF ALLEGIANCE

ITEM 4 – PUBLIC COMMENT

ITEM 5 – EXECUTIVE REPORT

CITY MANAGER

CONSENT AGENDA

ORDINANCES ON FIRST READING

(Ordinances are on first reading for notice and publication
only; public hearings are held on second reading)
ITEM 6 – RESOLUTION 2020-25 – APPOINTING MEMBERS TO THE HISTORIC PRESERVATION COMMISSION

ITEM 7 – ORDINANCE O-2020-22 (REVISED) – CONCERNING THE REFUNDING OF A PORTION OF CERTAIN OUTSTANDING CERTIFICATES OF PARTICIPATION, SERIES 2006A, AND THE FINANCING OF RENOVATIONS TO THE FOX HOLLOW GOLF COURSE IRRIGATION SYSTEM; AND AN ANNUALLY RENEWABLE LEASE/PURCHASE AGREEMENT BETWEEN U.S. BANK NATIONAL ASSOCIATION, SOLEY IN ITS CAPACITY AS TRUSTEE, AND THE CITY, AS LESSEE; APPROVING THE FORMS OF CERTAIN RELATED DOCUMENTS; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH; AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION OF UP TO $5,925,000; PROVIDING OTHER MATTERS RELATING THERETO; AND FURTHER, DECLARING AN EMERGENCY

ITEM 8 – ORDINANCE O-2020-23 – AUTHORIZING A SUPPLEMENTAL APPROPRIATION TO THE 2020-2021 CITY OF LAKEWOOD ANNUAL HEAD START GRANT IN THE AMOUNT OF $96,669 IN FUNDS DISTRIBUTED BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES, FROM OFFICE OF HEAD START

END OF CONSENT AGENDA

RESOLUTIONS

ITEM 9 – CONTINUED RESOLUTION 2020-23 – AUTHORIZING ALLOCATIONS FOR 533 VAN GORDON STREET, LAKEWOOD, CO 80228 MAY BE CONTINUED TO AUGUST 24, 2020


ITEM 11 – RESOLUTION 2020-26 – APPROVING A CHAPTER 14.27 BLIGHT DESIGNATION FOR THE PROPERTY LOCATED AT 1347 LAMAR STREET

ORDINANCES ON SECOND READING AND PUBLIC HEARINGS

ITEM 12 – ORDINANCE O-2020-19 – VACATING A PORTION OF RIGHT-OF-WAY FOR WEST YALE AVENUE, SOUTHWEST CORNER OF RED ROCKS BUSINESS DRIVE AND WEST YALE AVENUE FURTHER LOCATED TO THE SOUTHEAST OF LOT 7, BLOCK 3 OF THE RED ROCKS BUSINESS PARK FILING NO. 1, AS DEPICTED IN EXHIBIT "A" TO THIS ORDINANCE
ITEM 13 – ORDINANCE O-2020-20 – DISCONNECTING CERTAIN PROPERTY ADDRESSED AS 3053 S. ROONEY RD. A PARCEL OF LAND, BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 4 SOUTH, RANGE 70 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO

ITEM 14 – ORDINANCE O-2020-21 – FOR THE CONVEYANCE OF A SEWER LINE EASEMENT TO WEST ALAMEDA HEIGHTS SANITATION SERVICE, INC. ACROSS A PORTION OF COTTAGE PARK

ITEM 15 – GENERAL BUSINESS

MOTION TO EXTEND EMERGENCY DECLARATION – I MOVE TO EXTEND THE DECLARATION OF DISASTER IN THE CITY OF LAKEWOOD COLORADO RESULTING FROM THE CORONAVIRUS/COVID-19 PANDEMIC, PURSUANT TO SECTION 1.27 OF THE LAKEWOOD MUNICIPAL CODE, ORIGINALLY DECLARED BY PROCLAMATION OF THE LAKEWOOD CITY MANAGER ON MARCH 17, 2020, EXTENDED BY MAJORITY VOTE OF THE CITY COUNCIL ON MULTIPLE OCCASIONS, AND BY THIS MOTION EXTENDED AGAIN UNTIL AUGUST 24, 2020, UNLESS EARLIER EXTENDED OR TERMINATED BY THE CITY COUNCIL.

ITEM 16 – MAYOR AND CITY COUNCIL REPORTS

A. MAYOR
B. MAYOR PRO TEM
C. COUNCIL MEMBERS

ITEM 16 – ADJOURNMENT
DATE OF COUNCIL MEETING: AUGUST 10, 2020 / AGENDA ITEM NO. 6

To: Mayor and City Council

From: Michele Millard, City Clerk, 303-987-7086

Subject: APPOINTING MEMBERS TO THE HISTORIC PRESERVATION COMMISSION

SUMMARY STATEMENT: Resolution appointing two members to the Historic Preservation Commission to serve a four-year term.

BACKGROUND INFORMATION: The Screening Committee held interviews on July 21, 2020 and July 22, 2020 and wish to recommend the appointment of the below individuals to the Historic Preservation Commission.

Adoption of this resolution will officially appoint Kelly Cvanciger to the Historic Preservation Commission, to serve a four-year term which began on April 1, 2020 and will end on March 31, 2024.

Adoption of this resolution will officially appoint Heather Peterson to the Historic Preservation Commission, to serve a four-year term which began on April 1, 2020 and will end on March 31, 2024.

FINANCIAL IMPACTS: None

STAFF RECOMMENDATIONS: Approval

ALTERNATIVES: None

PUBLIC OUTREACH: None

NEXT STEPS: Upon approval of the Resolution by City Council – the new members will begin their term with the Historic Preservation Commission.

ATTACHMENTS: Resolution 2020-25

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Timothy P. Cox, City Attorney
A RESOLUTION

APPOINTING MEMBERS TO THE HISTORIC PRESERVATION COMMISSION

BE IT RESOLVED by the City Council of the City of Lakewood, Colorado, that:

SECTION 1. Kelly Cvanciger, a Lakewood resident, is hereby appointed on August 10, 2020, to the Historic Preservation Commission to serve a four-year term which began on April 1, 2020, and will end on March 31, 2024.

SECTION 2. Heather Peterson, a Lakewood resident, is hereby appointed on August 10, 2020, to the Historic Preservation Commission, to serve a four-year term which began on April 1, 2020, and will end on March 31, 2024.

INTRODUCED, READ AND ADOPTED by a vote of _____ for and _____ against at a virtual regular meeting of the Lakewood City Council held on August 10, 2020 at 7 o'clock p.m.

________________________________________
Adam Paul, Mayor

ATTEST:

________________________________________
Michele Millard, City Clerk

APPROVED AS TO FORM:

________________________________________
Timothy P. Cox, City Attorney
DATE OF COUNCIL MEETING: AUGUST 10, 2020 / AGENDA ITEM NO. 7

To: Mayor and City Council

From: Holly Björklund, Chief Financial Officer, 303-987-7601
       Kit Newland, Director of Community Resources, 303-987-7822

Subject: FOX HOLLOW GOLF COURSE LEASE REFINANCE / NEW LEASE PURCHASE AGREEMENT

SUMMARY STATEMENT: The Finance and Community Resources Departments request that City Council approve an ordinance authorizing the City to enter into a new Site Lease Agreement (“Site Lease”) and Lease Purchase Agreement (“Lease”) with FirstBank to fund the replacement of the Fox Hollow Golf Course irrigation system and defease the remaining $1.35 million of the City’s annual base rental payments under a Lease Purchase and Sublease Agreement dated August 1, 2000, as amended April 1, 2004, and February 1, 2006 (collectively, the “2006 Lease”), pertaining to the outstanding Refunding Certificates of Participation, Series 2006A allocated to the City’s Golf Enterprise Fund.

BACKGROUND INFORMATION: City Council granted staff permission to pursue funding for this project via Resolution 2020-10 approved by 10-0 vote at the February 10, 2020 City Council meeting. To fund the irrigation replacement, the City sought bids from financial institutions for approximately $5.85 million of lease purchase financing to accomplish the foregoing projects. Pursuant to the Site Lease, the City expects to lease the Lakewood Link Recreation Center (the “Link”) to the Trustee with FirstBank as the lender through 2049 in exchange for a payment from FirstBank sufficient to accomplish the projects. Pursuant to the Lease, the City expects to lease the Link back from the Trustee through 2039 in exchange for annual rental payments. The interest component of the rental payments for the refunding project will be taxable to FirstBank for federal income tax purposes and the interest component of the rental payments for the irrigation project will be tax-exempt to FirstBank for federal income tax purposes. The Lease will require City Council to consider appropriating funds each year for the rental payments. The City’s obligations under the Lease will be subject to annual appropriation, and the Lease will not constitute a debt or multiple fiscal year financial obligation of the City.

BUDGETARY IMPACTS: The cost to complete the irrigation project is approximately $4.5 million. In addition to the cost of the irrigation system, $1.35 million will be financed to pay off the City’s remaining rental payments due on the 2006 Lease allocated to the City’s golf Enterprise Fund, the proceeds of which were used on Homestead Golf Course. Staff’s recommendation is a total lease-purchase obligation of approximately $5.85 million at fixed interest rates (one for the taxable portion and one for the tax-exempt portion) for approximately twenty (20) years. There is no impact to the City’s general fund, as all payments are expected to be made out of the Golf Enterprise Fund (subject to annual appropriation). The City engaged its financial advisors, Stifel Nicolaus & Company, Inc. (“Stifel”), to analyze the competitiveness of FirstBank’s proposal. Stifel has advised
that the proposal is at competitive market interest rates and recommends the City proceed. These terms reflect current market conditions and provide cash flow flexibility to the Golf Enterprise Fund.

**STAFF RECOMMENDATIONS:** Staff recommends Council approve entering into the total lease-purchase obligations of $5.85 million for the Golf Enterprise Fund (Site Lease) and the Lease under the terms and conditions provided. Currently low interest rates, a decrease of $270,000 per year from current Golf Enterprise Fund lease payments, and an increase in both the number of rounds played and revenue at Fox Hollow Golf Course thus far in 2020 make this a high value, low risk proposal.

**ALTERNATIVES:** City Council could ask staff to delay the replacement and maintain the existing system as best as possible until enough money is in the Golf Enterprise Fund reserves to pay for the replacement with cash. Should Council recommend this alternative, it would take approximately twelve to fifteen (12-15) years to pay for the replacement. During that time period, the current system will need ongoing maintenance and repairs. Compounding this issue is that certain parts are no longer available on the market and will need to be custom made when they break. This causes delay in the repair process and could result in significant turf loss and unsatisfactory playing conditions, in addition to higher costs for custom parts.

**PUBLIC OUTREACH:** This item was promoted through the regular communication channels for items that come before City Council for consideration.

**NEXT STEPS:** Council approval is needed in the form of an ordinance authorizing the City to enter into the Site Lease and Lease.

**ATTACHMENTS:** The attachments below are drafts under review by all involved parties. They are provided to allow time for Council and the public to read them in advance of the first reading at City Council meeting on August 10th. All changes to any of the documents will be provided using track changes in order to provide Council with final versions as soon as possible.

- Ordinance O-2020-22
- Indenture of Trust
- Lease Purchase Agreement
- Site Lease
- Escrow Agreement for 2006A COPs

**REVIEWED BY:** Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Timothy P. Cox, City Attorney
AN ORDINANCE

CONCERNING THE REFUNDING OF A PORTION OF CERTAIN OUTSTANDING CERTIFICATES OF PARTICIPATION, SERIES 2006A, AND THE FINANCING OF RENOVATIONS TO THE FOX HOLLOW GOLF COURSE IRRIGATION SYSTEM; AND AN ANNUALLY RENEWABLE LEASE/PURCHASE AGREEMENT BETWEEN U.S. BANK NATIONAL ASSOCIATION, SOLELY IN ITS CAPACITY AS TRUSTEE, AND THE CITY, AS LESSEE; APPROVING THE FORMS OF CERTAIN RELATED DOCUMENTS; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH; AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION OF UP TO $5,925,000; PROVIDING OTHER MATTERS RELATING THERETO; AND FURTHER, DECLARING AN EMERGENCY

WHEREAS, the City of Lakewood, Colorado (the “City”), is a municipal corporation duly organized and existing as a home rule city under Article XX of the Colorado Constitution and under the City’s charter (the “Charter”) and is a political subdivision of the State of Colorado (the “State”);

WHEREAS, subject to certain exceptions, all legislative powers possessed by the City, conferred by Article XX of the State Constitution or contained in the Charter, as either has from time to time been amended, or otherwise existing by operation of law, are vested in the City Council of the City (the “City Council”);

WHEREAS, the City is authorized, pursuant to Article XX of the State Constitution and the Charter and its plenary grant of powers as a home rule city, to enter into lease-purchase agreements in order to lease and acquire land, buildings, equipment and other real or personal property;

WHEREAS, the City is authorized by Article XX, Section 6 of the Colorado Constitution, Section 14.3 of its Charter and Section § 31-15-801, Colorado Revised Statutes (“C.R.S.”), to enter into rental or leasehold agreements in order to provide necessary land, buildings, equipment and other property for governmental or proprietary purposes;

WHEREAS, the City has previously entered into that certain Lease Purchase and Sublease Agreement dated as of August 1, 2000, as amended by the First Amendment to Lease Purchase and Sublease Agreement dated as of April 1, 2004, and as amended by the Second Amendment to Lease Purchase and Sublease Agreement dated as of February 1, 2006 (as amended, the “2000 Lease Purchase Agreement”) with the Lakewood Public Building Authority, as assigned to U.S. Bank National Association, as lessor, to enable the City to acquire, construct, renovate and equip various capital improvements, as more particularly described therein;

WHEREAS, on February 27, 2006, the Lakewood Public Building Authority issued its Refunding Certificates of Participation, Series 2006A (the “Series 2006A Certificates”),
evidencing rights to receive certain revenues to be received from the City pursuant to the 2000 Lease Purchase Agreement;

WHEREAS, the City and the Lakewood Public Building Authority allocated a portion of the repayment obligation related to the Series 2006A Certificates to the City’s Golf Enterprise Fund;

WHEREAS, the City Council has determined that it is in the best interests of the City and its inhabitants to: (a) refinance the portion of the City’s obligations under the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund (the “Series 2020A Refunding Project”); and (b) finance the design, construction, installation, acquisition, renovation, replacement, maintenance and repair of irrigation system improvements, and related appurtenances, at the Fox Hollow Golf Course (the “Series 2020B Irrigation Project”);

WHEREAS, the City Council has determined that it is in the best interests of the City and its inhabitants to provide for the financing of the Series 2020A Refunding Project and the Series 2020B Irrigation Project by entering into a Site Lease Agreement (the "Site Lease"), between the City, as site lessor, and U.S. Bank National Association (the "Trustee"), as lessee, and a Lease/ Purchase Agreement (the "Lease Purchase Agreement"), between the City, as lessee, and the Trustee, as lessor, in substantially the respective forms attached hereto;

WHEREAS, the City owns, in fee title, the property described in Exhibit A to the Lease Purchase Agreement (the "Leased Property");

WHEREAS, to effectuate the Series 2020A Refunding Project and Series 2020B Irrigation Project, the City will lease the Leased Property to the Trustee pursuant to the Site Lease and will lease the Leased Property back from the Trustee pursuant to Lease Purchase Agreement for a term of twenty (20) years at rates not to exceed 1.95% and 2.15%, respectively, through the Lease Purchase Agreement;

WHEREAS, the Base Rentals, which includes both the Series 2020A Base Rentals and the Series 2020B Base Rentals (each as defined in the Lease Purchase Agreement) payable by the City shall constitute currently budgeted expenditures of the City and shall not constitute a general obligation or other indebtedness of the City nor a mandatory charge or requirement against the City in any ensuing fiscal year beyond the then current fiscal year;

WHEREAS, neither the Lease Purchase Agreement nor the Site Lease shall directly or indirectly obligate the City to make any payments beyond those appropriated for the City’s then current fiscal year;

WHEREAS, the Trustee will enter into an Indenture of Trust (the “Indenture”) pursuant to which there is expected to be executed and delivered certain certificates of participation (the “Series 2020A Taxable Certificates” and the “Series 2020B Certificates”) dated as of their date of delivery that shall evidence undivided interests in the right to receive the Series 2020A Base Rentals and the Series 2020B Base Rentals, respectively,
and other revenues under the Lease Purchase Agreement, which Series 2020A Taxable Certificates and Series 2020B Certificates shall be payable solely from the sources therein provided and shall not directly or indirectly obligate the City to make any payments beyond those appropriated for in the City’s then current fiscal year;

WHEREAS, the net proceeds of the Series 2020A Taxable Certificates will finance the Series 2020A Refunding Project and pay the costs of executing and delivering the Series 2020A Taxable Certificates;

WHEREAS, the net proceeds of the Series 2020B Certificates will finance the Series 2020B Irrigation Project and pay the costs of executing and delivering the Series 2020B Certificates;

WHEREAS, to effectuate the Series 2020A Refunding Project and defease the portion of the Series 2006A Certificates which were allocated to the City’s Golf Enterprise Fund, the City desires to enter into an Escrow Agreement with U.S. Bank National Association (the “Escrow Agreement”), in substantially the form attached hereto;

WHEREAS, the City Council desires to approve the forms of the Lease Purchase Agreement, Site Lease and Escrow Agreement, and consent to the form of the Indenture, and authorize the execution and performance, as applicable, by the City of such documents;

WHEREAS, none of the members of the City Council has any potential conflicting interests in connection with the matters referred to herein, nor are any of the members of the City Council interested, directly or indirectly, in the profits of any contract or job for work or services to be performed for the City in connection therewith;

WHEREAS, Section 11-57-204 of the Supplemental Public Securities Act, Constituting Title 11, Article 57, Part 2, Colorado Revised Statutes (the “Supplemental Act”), provides that a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act;

WHEREAS, Article XII, Section 8, of the Charter allows City Council to make supplemental appropriations by ordinance during the fiscal year for unanticipated expenditures required for the operation of the City using monies not anticipated in the adopted budget that have become available to the City;

WHEREAS, the City Council shall make a supplemental budget appropriation of revenues and expenditures in the General Fund for the consummation of the Series 2020A Refunding Project and the Series 2020B Irrigation Project in the aggregate amount of up to $5,925,000 in accordance with Section 12.8 of the Charter;

WHEREAS, approval of this ordinance on first reading is intended only to confirm that the City Council desires to comply with the Lakewood Municipal Code by setting a public hearing to provide City staff and the public an opportunity to present evidence and testimony regarding the proposal; and
WHEREAS, approval of this ordinance on first reading does not constitute a representation that the City Council, or any member of the City Council, supports, approves, rejects or denies the proposal.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAKEWOOD, COLORADO:

SECTION 1. Ratification and Approval of Prior Actions. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the City Council or the officers or agents of the City Council or the City relating to the Lease Purchase Agreement, the Series 2020A Refunding Project and Series 2020B Irrigation Project, is hereby ratified, approved and confirmed.

SECTION 2. Findings; Authorizations. This Ordinance is adopted pursuant to the City’s powers as a home rule city organized and existing under its Charter and Article XX of the State Constitution; and the City hereby determines that each and every matter and thing as to which provision is made herein is necessary in order to carry out and to effect the purposes hereof. The City Council hereby finds and determines, pursuant to the Constitution and laws of the State of Colorado, that the Series 2020A Refunding Project, Series 2020B Irrigation Project and the lease of the Leased Property from the Trustee under the terms and provisions set forth in the Lease Purchase Agreement are necessary, convenient and in furtherance of the governmental purposes of the City and are advantageous to and in the best interests of the City and its citizens and inhabitants. Accordingly, the City Council hereby authorizes:

a. the consummation of the Series 2020A Refunding Project;

b. the consummation of the Series 2020B Irrigation Project;

c. the execution of the Lease Purchase Agreement, Site Lease, Escrow Agreement and any related and necessary agreements and/or certificates with terms consistent with the terms described herein, subject to review and approval by the City’s legal counsel;

d. the leasing of the Leased Property to the Trustee pursuant to the Site Lease; and

e. the leasing back of the Leased Property pursuant to the Lease Purchase Agreement for an initial term expiring December 31, 2020, with potential annual renewals through December 31, 2039.

SECTION 3. Lease Purchase Agreement Provisions. The provisions of the Lease Purchase Agreement from the Trustee to the City shall include:

a. the Lease Purchase Agreement shall be renewable annually each City fiscal year; the Base Rentals due under the Lease Purchase Agreement shall be subject to appropriation by the City; and the initial term of the Lease Purchase Agreement shall commence on its date of execution and delivery by the City, as lessee, shall
end **on December 31 of the year of execution** and shall be renewable annually through December 31, 2039;

b. the total aggregate principal component of the Base Rentals payable under the Lease Purchase Agreement shall not exceed $5,925,000;

c. the interest component of the Base Rentals payable under the Lease Purchase Agreement shall be determined using a per annum interest rate not to exceed 3.00%;

d. the Lease Payments payable under the Lease Purchase Agreement shall be payable in annual Lease Payments not to exceed $425,000 for each such annual Lease Payment; and

e. the City shall have the option to purchase the Leased Property, at any time, by prepaying on any date a price equal to the outstanding principal component of the total Base Rentals, without premium, plus the accrued interest component of total Base Rentals to such prepayment date.

**SECTION 4. Preparation and Approval of Documents.** Sherman & Howard L.L.C. is hereby authorized and directed to prepare, or direct the preparation of, the Lease Purchase Agreement (consistent with the terms set forth in Section 3 above), the Site Lease, the Escrow Agreement and all additional certificates or documents and to perform all other acts deemed necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Ordinance. The Lease Purchase Agreement, Site Lease and Escrow Agreement, each in substantially the form attached hereto, are in all respects approved, authorized and confirmed, and the City Manager is authorized and directed to execute and deliver the Lease Purchase Agreement, Site Lease and Escrow Agreement in substantially the forms and with substantially the same contents attached hereto, for and on behalf of the City, provided that such documents may be completed, corrected, revised, modified or amended as deemed necessary by the parties thereto, after review and approval by the City’s legal counsel, in order to carry out the purposes of this Ordinance.

**SECTION 5. Authorization to Execute Collateral Documents.** The City Clerk is hereby authorized and directed to attest all signatures and acts of any official of the City in connection with the matters authorized by this Ordinance and to affix the seal of the City on any document authorized and approved by this Ordinance. The City Clerk, the City Manager, the Finance Director, the City Attorney and all other appropriate officials or employees of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including without limiting the generality of the foregoing, executing, attesting, authenticating and delivering for and on behalf of the City any and all necessary documents, instruments or certificates and performing all other acts that they deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Ordinance (including amendments or modifications of documents and certificates consistent with the purposes of this Ordinance). 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 deemed necessary by the parties thereto in order to carry out the purposes of this Ordinance. The execution of any document or instrument by the aforementioned officers shall be conclusive evidence of the approval by the City of such document or instrument in accordance with the terms hereof and thereof.

SECTION 6. Supplemental Public Securities Act. The City Council hereby elects to apply all of the Supplemental Act to Lease Purchase Agreement and the Site Lease and, in connection therewith, delegates to the City Manager the independent authority to make any determination delegable pursuant to Section 11-57-205 of the Supplemental Act in relation to the Lease Purchase Agreement (consistent with the terms set forth in Section 3 above) and the Site Lease.

SECTION 7. No General Obligation or Other Indebtedness. No provision of this Ordinance, the Lease Purchase Agreement, the Site Lease, the Indenture or any other documents executed in connection therewith shall be construed as creating or constituting a general obligation or other indebtedness of the City within the meaning of any constitutional, statutory or Charter debt limitation, nor a mandatory charge or requirement against the City in any ensuing budget year beyond the then current budget year. No provision of the foregoing shall be construed or interpreted as creating a multiple-fiscal year direct or indirect City debt or other financial obligation whatsoever within the meaning of Article X, Section 20 of the Colorado Constitution. The City shall have no obligation to make any payment with respect to the Lease Purchase Agreement except in connection with the payment of the Base Rentals and certain other payments under Lease Purchase Agreement, which payments may be terminated by the City in accordance with the provisions of the Lease Purchase Agreement. The City may choose to not renew, and thereby terminate its obligations under, the Lease Purchase Agreement on an annual basis. No provision of the Lease Purchase Agreement or the Site Lease shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. Neither the Lease Purchase Agreement nor the Site Lease shall directly or indirectly obligate the City to make any payments beyond those budgeted and appropriated for the City’s then current fiscal year.

SECTION 8. Bank Qualification. The City hereby determines that neither the City nor any entity subordinate thereto reasonably anticipates issuing more than $10,000,000 face amount of tax-exempt governmental bonds or any other similar obligations during calendar year 2020, which obligations are taken into account in determining whether the City can designate the obligation to pay the Series 2020B Base Rentals and any other obligations related to the Series 2020B Certificates under the Lease Purchase Agreement as a qualified tax-exempt obligation as provided in the following sentence. For the purpose of Section 265(b)(3)(B) of the Internal Revenue Code, the City hereby designates the obligation to pay the Series 2020B Base Rentals and any other obligations related to the Series 2020B Certificates under the Lease Purchase Agreement as a qualified tax-exempt obligation.

SECTION 9. Reasonableness of Rentals. The City Council hereby determines and declares that the Base Rentals due under the Lease Purchase Agreement, in the
maximum amounts authorized pursuant to Section 3 hereof, constitute the fair rental value of the Leased Property and do not exceed a reasonable amount so as to place the City under an economic compulsion to renew the Lease Purchase Agreement or to exercise its option to purchase the Trustee’s leasehold interest in the Leased Property pursuant to the Lease Purchase Agreement. The City Council hereby determines and declares that the period during which the City has an option to purchase the Trustee’s leasehold interest in the Leased Property (i.e., the entire maximum term of the Lease Purchase Agreement) does not exceed the useful life of the Leased Property. The City Council hereby further determines that the amount of rental payments to be received by the City from the Trustee pursuant to the Site Lease is reasonable consideration for the leasing of the Leased Property to the Trustee for the maximum term of the Site Lease as provided therein.

SECTION 10. No Recourse Against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the City Council, or any officer or agent of the City, acts in good faith, no civil recourse shall be available against such member, officer or agent for payment of the principal or interest due under the Lease Purchase Agreement. Such recourse shall not be available 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.

SECTION 11. Supplemental Appropriation. In accordance with Section 12.8 of the Charter, the City Council hereby appropriates up to $5,925,000 in the General Fund in 2020 for the consummation of the Series 2020A Refunding Project and the Series 2020B Irrigation Project.

SECTION 12. Repealer. All bylaws, orders, resolutions and ordinances of the City, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any other such bylaw, order, resolution or ordinance of the City, or part thereof, heretofore repealed.

SECTION 13. Severability. If any section, subsection, paragraph, clause or other provision of this Ordinance for any reason is invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

SECTION 14. Safety Clause. The City Council finds and declares that this Ordinance is promulgated and adopted for the public health, safety and welfare and this Ordinance bears a rational relation to the legislative object sought to be obtained.

SECTION 15. Emergency; Effective Date. This Ordinance is necessary for the immediate preservation of the City of Lakewood’s peace, health and safety for the following reason: (i) the City has obtained a significantly more favorable lease rate for the Lease Purchase Agreement, the Site Lease, the Escrow Agreement, the Indenture, the Series 2020A Refunding Project and the Series 2020B Irrigation Project (ii) the City is guaranteed such lease rate only through September 6, 2020, which is less than thirty (30) days after publication of this ordinance on second reading; (iii) expiration of such
guaranteed rate may subject the City to higher rates, significantly increasing the ultimate cost of the Lease Purchase Agreement, the Site Lease, the Series 2020A Refunding Project and the Series 2020B Irrigation Project. **In light of the foregoing, the City Council hereby declares an emergency, and this ordinance shall be in full force and effect immediately upon adoption.**

I hereby attest and certify that the within and foregoing ordinance was introduced and read on first reading at a virtual regular meeting of the Lakewood City Council on the 10\(^{th}\) day of August, 2020; published by title in the Denver Post and in full on the City of Lakewood's website, [www.lakewood.org](http://www.lakewood.org), on the 13\(^{th}\) day of August, 2020; set for public hearing to be held on the 24\(^{th}\) day of August, 2020, read, finally passed and adopted by the City Council on the _____ day of August, 2020 and, signed by the Mayor on the _____ day of August, 2020.

Adam Paul, Mayor

ATTEST:

__________________________
Michele Millard, City Clerk

APPROVED AS TO FORM:

__________________________
Timothy P. Cox, City Attorney
AN ORDINANCE

CONCERNING THE REFUNDING OF A PORTION OF CERTAIN OUTSTANDING CERTIFICATES OF PARTICIPATION, SERIES 2006A, AND THE FINANCING OF RENOVATIONS TO THE FOX HOLLOW GOLF COURSE IRRIGATION SYSTEM; AND AN ANNUALLY RENEWABLE LEASE/PURCHASE AGREEMENT BETWEEN U.S. BANK NATIONAL ASSOCIATION, SOLELY IN ITS CAPACITY AS TRUSTEE, AND THE CITY, AS LESSEE; APPROVING THE FORMS OF CERTAIN RELATED DOCUMENTS; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION THEREWITH; AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION OF $[5,855,000] UP TO $5,925,000; PROVIDING OTHER MATTERS RELATING THERETO; AND FURTHER, DECLARING AN EMERGENCY

WHEREAS, the City of Lakewood, Colorado (the “City”), is a municipal corporation duly organized and existing as a home rule city under Article XX of the Colorado Constitution and under the City’s charter (the “Charter”) and is a political subdivision of the State of Colorado (the “State”);

WHEREAS, subject to certain exceptions, all legislative powers possessed by the City, conferred by Article XX of the State Constitution or contained in the Charter, as either has from time to time been amended, or otherwise existing by operation of law, are vested in the City Council of the City (the “City Council”);

WHEREAS, the City is authorized, pursuant to Article XX of the State Constitution and the Charter and its plenary grant of powers as a home rule city, to enter into lease-purchase agreements in order to lease and acquire land, buildings, equipment and other real or personal property;

WHEREAS, the City is authorized by Article XX, Section 6 of the Colorado Constitution, Section 14.3 of its Charter and Section § 31-15-801, Colorado Revised Statutes (“C.R.S.”), to enter into rental or leasehold agreements in order to provide necessary land, buildings, equipment and other property for governmental or proprietary purposes;

WHEREAS, the City has previously entered into that certain Lease Purchase and Sublease Agreement dated as of August 1, 2000, as amended by the First Amendment to Lease Purchase and Sublease Agreement dated as of April 1, 2004, and as amended by the Second Amendment to Lease Purchase and Sublease Agreement dated as of February 1, 2006 (as amended, the “2000 Lease Purchase Agreement”) with the Lakewood Public Building Authority, as assigned to U.S. Bank National Association, as lessor, to enable the City to acquire, construct, renovate and equip various capital improvements, as more particularly described therein;

WHEREAS, on February 27, 2006, the Lakewood Public Building Authority issued its Refunding Certificates of Participation, Series 2006A (the “Series 2006A
Certificates”), evidencing rights to receive certain revenues to be received from the City pursuant to the 2000 Lease Purchase Agreement;

WHEREAS, the City and the Lakewood Public Building Authority allocated a portion of the repayment obligation related to the Series 2006A Certificates to the City’s Golf Enterprise Fund;

WHEREAS, the City Council has determined that it is in the best interests of the City and its inhabitants to: (a) refinance the portion of the City’s obligations under the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund (the “Series 2020A Refunding Project”); and (b) finance the design, construction, installation, acquisition, renovation, replacement, maintenance and repair of irrigation system improvements, and related appurtenances, at the Fox Hollow Golf Course (the “Series 2020B Irrigation Project”);

WHEREAS, the City Council has determined that it is in the best interests of the City and its inhabitants to provide for the financing of the Series 2020A Refunding Project and the Series 2020B Irrigation Project by entering into a Site Lease Agreement (the "Site Lease"), between the City, as site lessor, and U.S. Bank National Association (the "Trustee"), as lessee, and a Lease/Purchase Agreement (the "Lease Purchase Agreement"), between the City, as lessee, and the Trustee, as lessor, in substantially the respective forms attached hereto;

WHEREAS, the City owns, in fee title, the property described in Exhibit A to the Lease Purchase Agreement (the "Leased Property");

WHEREAS, to effectuate the Series 2020A Refunding Project and Series 2020B Irrigation Project, the City will lease the Leased Property to the Trustee pursuant to the Site Lease and will lease the Leased Property back from the Trustee pursuant to Lease Purchase Agreement for a term of twenty (20) years at rates not to exceed 1.95% and 2.15%, respectively, through the Lease Purchase Agreement;

WHEREAS, the Base Rentals, which includes both the Series 2020A Base Rentals and the Series 2020B Base Rentals (each as defined in the Lease Purchase Agreement) payable by the City shall constitute currently budgeted expenditures of the City and shall not constitute a general obligation or other indebtedness of the City nor a mandatory charge or requirement against the City in any ensuing fiscal year beyond the then current fiscal year;

WHEREAS, neither the Lease Purchase Agreement nor the Site Lease shall directly or indirectly obligate the City to make any payments beyond those appropriated for the City’s then current fiscal year;

WHEREAS, the Trustee will enter into an Indenture of Trust (the “Indenture”) pursuant to which there is expected to be executed and delivered certain certificates of participation (the “Series 2020A Taxable Certificates” and the “Series 2020B Certificates”) dated as of their date of delivery that shall evidence undivided interests in
the right to receive the Series 2020A Base Rentals and the Series 2020B Base Rentals, respectively, and other revenues under the Lease Purchase Agreement, which Series 2020A Taxable Certificates and Series 2020B Certificates shall be payable solely from the sources therein provided and shall not directly or indirectly obligate the City to make any payments beyond those appropriated for in the City’s then current fiscal year;

WHEREAS, the net proceeds of the Series 2020A Taxable Certificates will finance the Series 2020A Refunding Project and pay the costs of executing and delivering the Series 2020A Taxable Certificates;

WHEREAS, the net proceeds of the Series 2020B Certificates will finance the Series 2020B Irrigation Project and pay the costs of executing and delivering the Series 2020B Certificates;

WHEREAS, to effectuate the Series 2020A Refunding Project and defease the portion of the Series 2006A Certificates which were allocated to the City’s Golf Enterprise Fund, the City desires to enter into an Escrow Agreement with U.S. Bank National Association (the “Escrow Agreement”), in substantially the form attached hereto;

WHEREAS, the City Council desires to approve the forms of the Lease Purchase Agreement, Site Lease and Escrow Agreement, and consent to the form of the Indenture, and authorize the execution and performance, as applicable, by the City of such documents;

WHEREAS, none of the members of the City Council has any potential conflicting interests in connection with the matters referred to herein, nor are any of the members of the City Council interested, directly or indirectly, in the profits of any contract or job for work or services to be performed for the City in connection therewith;

WHEREAS, Section 11-57-204 of the Supplemental Public Securities Act, Constituting Title 11, Article 57, Part 2, Colorado Revised Statutes (the “Supplemental Act”), provides that a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act;

WHEREAS, Article XII, Section 8, of the Charter allows City Council to make supplemental appropriations by ordinance during the fiscal year for unanticipated expenditures required for the operation of the City using monies not anticipated in the adopted budget that have become available to the City;

WHEREAS, the City Council shall make a supplemental budget appropriation of revenues and expenditures in the General Fund for the consummation of the Series 2020A Refunding Project and the Series 2020B Irrigation Project in the aggregate amount of $[1,300,000] up to $5,925,000 in accordance with Section 12.8 of the Charter;
WHEREAS, the City Council shall make a supplemental budget appropriation of revenues and expenditures in the General Fund for the consummation of the Series 2020B Irrigation Project in the amount of $4,555,000 in accordance with Section 12.8 of the Charter;

WHEREAS, approval of this ordinance on first reading is intended only to confirm that the City Council desires to comply with the Lakewood Municipal Code by setting a public hearing to provide City staff and the public an opportunity to present evidence and testimony regarding the proposal; and

WHEREAS, approval of this ordinance on first reading does not constitute a representation that the City Council, or any member of the City Council, supports, approves, rejects or denies the proposal.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAKEWOOD, COLORADO:

SECTION 1. Ratification and Approval of Prior Actions. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the City Council or the officers or agents of the City Council or the City relating to the Lease Purchase Agreement, the Series 2020A Refunding Project and Series 2020B Irrigation Project, is hereby ratified, approved and confirmed.

SECTION 2. Findings; Authorizations. This Ordinance is adopted pursuant to the City's powers as a home rule city organized and existing under its Charter and Article XX of the State Constitution; and the City hereby determines that each and every matter and thing as to which provision is made herein is necessary in order to carry out and to effect the purposes hereof. The City Council hereby finds and determines, pursuant to the Constitution and laws of the State of Colorado, that the Series 2020A Refunding Project, Series 2020B Irrigation Project and the lease of the Leased Property from the Trustee under the terms and provisions set forth in the Lease Purchase Agreement are necessary, convenient and in furtherance of the governmental purposes of the City and are advantageous to and in the best interests of the City and its citizens and inhabitants. Accordingly, the City Council hereby authorizes:

a. the consummation of the Series 2020A Refunding Project;

b. the consummation of the Series 2020B Irrigation Project;

c. the execution of the Lease Purchase Agreement, Site Lease, Escrow Agreement and any related and necessary agreements and/or certificates with terms consistent with the terms described herein, subject to review and approval by the City’s legal counsel;

d. the leasing of the Leased Property to the Trustee pursuant to the Site Lease; and
e. the leasing back of the Leased Property pursuant to the Lease Purchase Agreement for an initial term expiring December 31, 2020, with potential annual renewals through December 31, 2039.

SECTION 3. Lease Purchase Agreement Provisions. The provisions of the Lease Purchase Agreement from the Trustee to the City shall include:

a. The Lease Purchase Agreement shall be renewable annually each City fiscal year; the Base Rentals due under the Lease Purchase Agreement shall be subject to appropriation by the City; and the initial term of the Lease Purchase Agreement shall commence on its date of execution and delivery by the City, as lessee, shall end on December 31 of the year of execution and shall be renewable annually through December 31, 2039;

b. the total aggregate principal component of the Series 2020A Base Rentals, related to the Series 2020A Refunding Project, payable under the Lease Purchase Agreement shall not exceed $[1,300,000];

c. the total aggregate principal component of the Series 2020B Base Rentals, related to the Series 2020B Irrigation Project, payable under the Lease Purchase Agreement shall not exceed $[4,555,000];

d. the interest component of the Series 2020A Base Rentals, related to the Series 2020A Refunding Project, payable under the Lease Purchase Agreement shall not exceed of [1.95] be determined using a per annum interest rate not to exceed 3.00%;

e. the interest component of the Series 2020B Base Rentals, related to the Series 2020B Irrigation Project, payable under the Lease Purchase Agreement shall not exceed of [2.15]%;

f. the total Base Rentals (including both the principal components and the interest components of the Series 2020A Base Rentals and the Series 2020B Base Rentals) payable under the Lease Purchase Agreement shall be payable in annual Base Rentals Lease Payments not to exceed $[425,000] for each such annual Base Rentals Lease Payment; and

gf. the City shall have the option to purchase the Leased Property, at any time, by prepaying on any date a price equal to the outstanding principal component of the total Base Rentals, without premium, plus the accrued interest component of total Base Rentals to such prepayment date.

SECTION 4. Preparation and Approval of Documents. Sherman & Howard L.L.C. is hereby authorized and directed to prepare, or direct the preparation of, the Lease Purchase Agreement (consistent with the terms set forth in Section 3 above), the Site Lease, the Escrow Agreement and all additional certificates or documents and to perform all other acts deemed necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Ordinance. The Lease
Purchase Agreement, Site Lease and Escrow Agreement, each in substantially the form attached hereto, are in all respects approved, authorized and confirmed, and the City Manager is authorized and directed to execute and deliver the Lease Purchase Agreement, Site Lease and Escrow Agreement in substantially the forms and with substantially the same contents attached hereto, for and on behalf of the City, provided that such documents may be completed, corrected, revised, modified or amended as deemed necessary by the parties thereto, after review and approval by the City’s legal counsel, in order to carry out the purposes of this Ordinance.

SECTION 5. Authorization to Execute Collateral Documents. The City Clerk is hereby authorized and directed to attest all signatures and acts of any official of the City in connection with the matters authorized by this Ordinance and to affix the seal of the City on any document authorized and approved by this Ordinance. The City Clerk, the City Manager, the Finance Director, the City Attorney and all other appropriate officials or employees of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including without limiting the generality of the foregoing, executing, attesting, authenticating and delivering for and on behalf of the City any and all necessary documents, instruments or certificates and performing all other acts that they deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Ordinance (including amendments or modifications of documents and certificates consistent with the purposes of this Ordinance). 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 deemed necessary by the parties thereto in order to carry out the purposes of this Ordinance. The execution of any document or instrument by the aforementioned officers shall be conclusive evidence of the approval by the City of such document or instrument in accordance with the terms hereof and thereof.

SECTION 6. Supplemental Public Securities Act. The City Council hereby elects to apply all of the Supplemental Act to Lease Purchase Agreement and the Site Lease and, in connection therewith, delegates to the City Manager the independent authority to make any determination delegable pursuant to Section 11-57-205 of the Supplemental Act in relation to the Lease Purchase Agreement (consistent with the terms set forth in Section 3 above) and the Site Lease.

SECTION 7. No General Obligation or Other Indebtedness. No provision of this Ordinance, the Lease Purchase Agreement, the Site Lease, the Indenture or any other documents executed in connection therewith shall be construed as creating or constituting a general obligation or other indebtedness of the City within the meaning of any constitutional, statutory or Charter debt limitation, nor a mandatory charge or requirement against the City in any ensuing budget year beyond the then current budget year. No provision of the foregoing shall be construed or interpreted as creating a multiple-fiscal year direct or indirect City debt or other financial obligation whatsoever within the meaning of Article X, Section 20 of the Colorado Constitution. The City shall have no obligation to make any payment with respect to the Lease Purchase Agreement except in connection with the payment of the Base Rentals and certain
other payments under Lease Purchase Agreement, which payments may be terminated by the City in accordance with the provisions of the Lease Purchase Agreement. The City may choose to not renew, and thereby terminate its obligations under, the Lease Purchase Agreement on an annual basis. No provision of the Lease Purchase Agreement or the Site Lease shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. Neither the Lease Purchase Agreement nor the Site Lease shall directly or indirectly obligate the City to make any payments beyond those budgeted and appropriated for the City’s then current fiscal year.

SECTION 8. Bank Qualification. The City hereby determines that neither the City nor any entity subordinate thereto reasonably anticipates issuing more than $10,000,000 face amount of tax-exempt governmental bonds or any other similar obligations during calendar year 2020, which obligations are taken into account in determining whether the City can designate the obligation to pay the Series 2020B Base Rentals and any other obligations related to the Series 2020B Certificates under the Lease Purchase Agreement as a qualified tax-exempt obligation as provided in the following sentence. For the purpose of Section 265(b)(3)(B) of the Internal Revenue Code, the City hereby designates the obligation to pay the Series 2020B Base Rentals and any other obligations related to the Series 2020B Certificates under the Lease Purchase Agreement as a qualified tax-exempt obligation.

SECTION 9. Reasonableness of Rentals. The City Council hereby determines and declares that the Base Rentals due under the Lease Purchase Agreement, in the maximum amounts authorized pursuant to Section 3 hereof, constitute the fair rental value of the Leased Property and do not exceed a reasonable amount so as to place the City under an economic compulsion to renew the Lease Purchase Agreement or to exercise its option to purchase the Trustee’s leasehold interest in the Leased Property pursuant to the Lease Purchase Agreement. The City Council hereby determines and declares that the period during which the City has an option to purchase the Trustee’s leasehold interest in the Leased Property (i.e., the entire maximum term of the Lease Purchase Agreement) does not exceed the useful life of the Leased Property. The City Council hereby further determines that the amount of rental payments to be received by the City from the Trustee pursuant to the Site Lease is reasonable consideration for the leasing of the Leased Property to the Trustee for the maximum term of the Site Lease as provided therein.

SECTION 10. No Recourse Against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the City Council, or any officer or agent of the City, acts in good faith, no civil recourse shall be available against such member, officer or agent for payment of the principal or interest due under the Lease Purchase Agreement. Such recourse shall not be available 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.
SECTION 11. Supplemental Appropriation. In accordance with Section 12.8 of the Charter, the City Council hereby appropriates $4,555,000 up to $5,925,000 in the Capital Improvement General Fund in 2020 for the consummation of the Series 2020A Refunding Project and the Series 2020B Irrigation Project.

SECTION 12. Repealer. All bylaws, orders, resolutions and ordinances of the City, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any other such bylaw, order, resolution or ordinance of the City, or part thereof, heretofore repealed.

SECTION 13. Severability. If any section, subsection, paragraph, clause or other provision of this Ordinance for any reason is invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

SECTION 14. Safety Clause. The City Council finds and declares that this Ordinance is promulgated and adopted for the public health, safety and welfare and this Ordinance bears a rational relation to the legislative object sought to be obtained.

SECTION 15. Emergency; Effective Date. This Ordinance is necessary for the immediate preservation of the City of Lakewood’s peace, health and safety for the following reason: (i) the City has obtained a significantly more favorable lease rate for the Lease Purchase Agreement, the Site Lease, the Escrow Agreement, the Indenture, the Series 2020A Refunding Project and the Series 2020B Irrigation Project (ii) the City is guaranteed such lease rate only through [July 24, 2020, September 6, 2020, which is less than thirty (30) days after publication of this ordinance on second reading; (iii) expiration of such guaranteed rate may subject the City to higher rates, significantly increasing the ultimate cost of the Lease Purchase Agreement, the Site Lease, the Series 2020A Refunding Project and the Series 2020B Irrigation Project. In light of the foregoing, the City Council hereby declares an emergency, and this ordinance shall be in full force and effect immediately upon adoption.

I hereby attest and certify that the foregoing ordinance was introduced and read on first reading at a regular meeting of the Lakewood City Council on the 10th day of August, 2020; published by title in the Denver Post and in full on the City of Lakewood’s website, www.lakewood.org, on the 10th day of August, 2020; set for public hearing on the 24th day of August, 2020; read, finally passed and adopted by the City Council on the 24th day of August, 2020; and signed and approved by the Mayor on the 25th day of August, 2020.
ATTEST:

Michele Millard, City Clerk

APPROVED AS TO FORM:

Timothy P. Cox, City Attorney
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INDENTURE OF TRUST

DATED AS OF SEPTEMBER 1, 2020

BY

U.S. BANK NATIONAL ASSOCIATION,
solely in its capacity as Trustee

relating to

CERTIFICATES OF PARTICIPATION,
SERIES 2020A
IN THE AGGREGATE PRINCIPAL AMOUNT OF $[1,300,000];

AND

CERTIFICATES OF PARTICIPATION,
SERIES 2020B
IN THE AGGREGATE PRINCIPAL AMOUNT OF $[4,555,000]
This Table of Contents is not a part of this Indenture and is only for convenience of reference

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INDENTURE OF TRUST

This INDENTURE OF TRUST dated as of SEPTEMBER 1, 2020 (this “Indenture”), is executed and delivered by U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, solely in its capacity as trustee (the “Trustee”) for the benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates as set forth in this Indenture.

PREFACE

All capitalized terms used herein will have the meanings ascribed to them in Article 1 of this Indenture.

RECITALS

1. This Indenture is being executed and delivered to provide for the execution, delivery and payment of and security for the Certificates, the net proceeds of which will be used to finance the Series 2020A Refunding Project and the Series 2020B Irrigation Project. The Series 2020A Taxable Certificates evidence undivided interests in the right to receive Series 2020A Revenues under the Lease, and the Series 2020B Certificates evidence undivided interests in the right to receive Series 2020B Revenues under the Lease.

2. Pursuant to the Lease, and subject to the rights of the City to not appropriate the Series 2020A Base Rentals, Series 2020B Base Rentals or Additional Rentals thereunder and, therefore, to not renew and to terminate the Lease and other limitations as therein provided, the City is to pay certain Series 2020A Base Rentals and Series 2020B Base Rentals directly to the Trustee, for the benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates, respectively, in consideration of the City’s right to possess and use the Leased Property.

3. The Trustee has entered into this Indenture for and on behalf of the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates and the Trustee will hold the Series 2020A Revenues, Series 2020B Revenues and the Leased Property and will exercise the Trustee’s rights under the Site Lease and the Lease for the equal and proportionate benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates as described herein, and will disburse money received by the Trustee in accordance with this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that the Trustee, in consideration of the premises, the purchase of the Series 2020A Taxable Certificates by the Series 2020A Owners, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Series 2020A Taxable Certificates and all other amounts payable to the Series 2020A Owners of the Series 2020A Taxable Certificates, to secure the performance and observance of all the covenants and conditions set forth in the Series 2020A Taxable Certificates and the Indenture, and to declare the terms and conditions upon and subject to which the Series 2020A Taxable Certificates are executed, delivered and secured, has executed and delivered this
Indenture and has granted, assigned, pledged, bargained, sold, alienated, remised, released, conveyed, set over and confirmed, and by these presents does grant, assign, pledge, bargain, sell, alienate, remise, release, convey, set over and confirm, in trust upon the terms set forth herein all and singular the following described property, franchises and income, including any title or interest therein acquired after these presents, all and singular the following described property, franchises and income, including any title therein acquired after these presents (collectively, the “Series 2020A Trust Estate”):

(a) all rights, title and interest of the Trustee in, to and under the Site Lease and the Lease relating to the Leased Property, subject to Permitted Encumbrances (other than the Trustee’s rights to payment of its fees and expenses under the Site Lease and the Lease and the rights of third parties to Additional Rentals payable to them under the Lease);

(b) all Series 2020A Revenues and any other receipts receivable by or on behalf of the Trustee pursuant to the Lease, including without limitation, all Series 2020A Base Rentals, Series 2020A Prepayments, the Purchase Option Price and Net Proceeds; and

(c) all money and securities from time to time held by the Trustee under this Indenture in the Series 2020A Base Rentals Fund, Series 2020A Costs of Execution and Delivery Fund, any and all other property, revenues or funds from time to time hereafter by delivery or by writing of any kind specially granted, assigned or pledged as and for additional security hereunder, by any Person in favor of the Trustee, which shall accept any and all such property and hold and apply the same subject to the terms hereof.

THIS INDENTURE FURTHER WITNESSETH, that the Trustee, in consideration of the premises, the purchase of the Series 2020B Certificates by the Series 2020B Owners, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Series 2020B Certificates and all other amounts payable to the Series 2020B Owners of the Series 2020B Certificates, to secure the performance and observance of all the covenants and conditions set forth in the Series 2020B Certificates and the Indenture, and to declare the terms and conditions upon and subject to which the Series 2020B Certificates are executed, delivered and secured, has executed and delivered this Indenture and has granted, assigned, pledged, bargained, sold, alienated, remised, released, conveyed, set over and confirmed, and by these presents does grant, assign, pledge, bargain, sell, alienate, remise, release, convey, set over and confirm, in trust upon the terms set forth herein all and singular the following described property, franchises and income, including any title or interest therein acquired after these presents, all and singular the following described property, franchises and income, including any title therein acquired after these presents (collectively, the “Series 2020B Trust Estate”):

(a) all rights, title and interest of the Trustee in, to and under the Site Lease and the Lease relating to the Leased Property, subject to Permitted Encumbrances (other than the Trustee’s rights to payment of its fees and expenses under the Site Lease and the Lease and the rights of third parties to Additional Rentals payable to them under the Lease);
(b) all Series 2020B Revenues and any other receipts receivable by or on behalf of the Trustee pursuant to the Lease, including without limitation, all Series 2020B Base Rentals, Series 2020B Prepayments, the Purchase Option Price and Net Proceeds; and

(c) all money and securities from time to time held by the Trustee under this Indenture in the Series 2020B Base Rentals Fund, Series 2020B Costs of Execution and Delivery Fund, (but not the Rebate Fund or any defeasance escrow fund or account), any and all other property, revenues or funds from time to time hereafter by delivery or by writing of any kind specially granted, assigned or pledged as and for additional security hereunder, by any Person in favor of the Trustee, which shall accept any and all such property and hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD IN TRUST, NEVERTHELESS, the Series 2020A Trust Estate for the equal and ratable benefit and security of all Series 2020A Owners of the Series 2020A Taxable Certificates, without preference, priority or distinction as to lien or otherwise of any one Series 2020A Taxable Certificate over any other Series 2020A Taxable Certificate upon the terms and subject to the conditions hereinafter set forth.

TO HAVE AND TO HOLD IN TRUST, NEVERTHELESS, the Series 2020B Trust Estate for the equal and ratable benefit and security of all Series 2020B Owners of the Series 2020B Certificates, without preference, priority or distinction as to lien or otherwise of any one Series 2020B Certificate over any other Series 2020B Certificate upon the terms and subject to the conditions hereinafter set forth.

PROVIDED, HOWEVER, that if the principal of the Series 2020A Taxable Certificates and Series 2020B Certificates, the premium, if any, and the interest due or to become due thereon, shall be paid at the times and in the manner mentioned in the Series 2020A Taxable Certificates and Series 2020B Certificates, respectively, according to the true intent and meaning thereof, and if there are paid to the Trustee all sums of money due or to become due to the Trustee in accordance with the terms and provisions hereof, then, upon such final payments, this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture shall be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Series 2020A Taxable Certificates and Series 2020B Certificates are to be executed and delivered and all said property, rights, interests, revenues and receipts hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Trustee has agreed and covenanted, and does hereby agree and covenant, for the benefit of the Series 2020A Owners and Series 2020B Owners, as follows:
ARTICLE 1
DEFINITIONS

Section 1.01 Certain Funds and Accounts. All references herein to any Funds and Accounts shall mean the Funds and Accounts so designated which are established pursuant to Article 3 hereof.

Section 1.02 Definitions. All capitalized terms defined in Article 1 of the Lease shall have the same meaning in this Indenture. In addition, the following capitalized terms shall have the following meanings under this Indenture, provided, however, that in the event of any inconsistency, any term defined below shall have the meaning ascribed to it in the Lease:

“Additional Rentals” means the payment or cost of all:

(a) (i) reasonable expenses and fees of the Trustee related to the performance or discharge of its responsibilities under the provisions of the Lease, the Site Lease or this Indenture, including the reasonable fees and expenses of any person or firm employed by the City to make rebate calculations under the provisions of Section 3.08 of this Indenture and the expenses of the Trustee in respect of any policy of insurance or surety bond (ii) the cost of insurance premiums and insurance deductible amounts under any insurance policy reasonably deemed necessary by the Trustee to protect the Trustee from any liability under the Lease, approved by the City Representative, which approval shall not be unreasonably withheld, (iii) reasonable legal fees and expenses incurred by the Trustee to defend the Series 2020A Trust Estate, Series 2020B Trust Estate or the Trustee from and against any legal claims, and (iv) reasonable expenses and fees of the Trustee incurred at the request of the City Representative;

(b) taxes, assessments, insurance premiums, utility charges, maintenance, upkeep, repair and replacement with respect to the Leased Property and as otherwise required under the Lease;

(c) rebate payments as provided in the Lease; and

(d) all other charges and costs (together with all interest and penalties that may accrue thereon in the event that the City shall fail to pay the same, as specifically set forth in the Lease) which the City agrees to assume or pay as Additional Rentals under the Lease.

Additional Rentals shall not include Base Rentals.

“Additional Series 2020A Certificates” means Additional Series 2020A Certificates which may be executed and delivered pursuant to this Indenture and that are payable from the Series 2020A Revenues.

“Additional Series 2020B Certificates” means Additional Series 2020B Certificates which may be executed and delivered pursuant to this Indenture and that are payable from the Series 2020B Revenues.
“Approval of Special Counsel” means an opinion of Special Counsel to the effect that the matter proposed will not adversely affect the excludability from gross income for federal income tax purposes of the Interest Portion of the Series 2020B Base Rentals paid by the City under the Lease and attributable to the Series 2020B Certificates.

“Authorized Denominations” means (a) in the case of the Certificates executed and delivered to the Initial Purchaser, the Outstanding principal amount thereof, and (b) in the case of Additional Series 2020A Certificates and Additional Series 2020B Certificates, the amount set forth in the supplement to this Indenture authorizing the issuance of such Additional Certificates.

“Base Rentals” means the rental payments payable by the City during the Lease Term, including both Series 2020A Base Rentals and Series 2020B Base Rentals, which constitute payments payable by the City for and in consideration of the right to possess and use the Leased Property as set forth in Exhibit C (Base Rentals Schedule) of the Lease, as it may be amended from time to time. Base Rentals does not include Additional Rentals.

“Business Day” means any day, other than a Saturday, Sunday or legal holiday or a day (a) on which banks located in Denver, Colorado are required or authorized by law or executive order to close or (b) on which the Federal Reserve System is closed.

“Certificates” means the Series 2020A Taxable Certificates and the Series 2020B Certificates, dated as of their date of delivery, executed and delivered to the Initial Purchaser pursuant to this Indenture. As used herein, the term “Certificates” does not include “Additional Series 2020A Certificates” or “Additional Series 2020B Certificates.”

“Chief Financial Officer” means the director of the Finance Department of the City or his or her successor in functions, if any.

“City” means the City of Lakewood, Colorado.

“City Council” means the City Council of the City or any successor to its functions.

“City Manager” means the City Manager of the City or his or her successor in function.

“City Representative” means the Mayor of the City, the City Manager or such other person at the time designated to act on behalf of the City for the purpose of performing any act under the Lease, the Site Lease or the Indenture by a written certificate furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of the City by the Mayor of the City.

“Closing” means the date of execution and delivery of the Certificates.

“Costs of Execution and Delivery” means all items of expense directly or indirectly payable by the Trustee related to the authorization, execution and delivery of the Site Lease and the Lease and related to the authorization, sale, execution and delivery of the Certificates and to be paid from the Series 2020A Costs of Execution and Delivery Fund and Series 2020B Costs of Execution and Delivery Fund, including but not limited to, title insurance premiums, closing costs and other costs relating to the leasing of the Leased Property under the Site Lease and the Lease, costs of
preparation and reproduction of documents, costs of printing the Certificates, initial fees and charges of the Trustee and Paying Agent, legal fees and charges, including fees and expenses of Bond Counsel, Counsel to the Trustee and Counsel to the Initial Purchaser, fees and disbursements of professionals, fees and charges for preparation, execution and safekeeping of the Certificates, and any other cost, charge or fee in connection with the original sale and the execution and delivery of the Certificates; provided, however, that Additional Rentals shall not be Costs of Execution and Delivery of the Certificates and are to be paid by the City as provided in the Lease.

“CRS” means Colorado Revised Statutes.

“Determination of Taxability” means that there has been rendered a final judgment or order of a court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in any such case to the effect that the interest on the Series 2020B Certificates is includable for Federal income tax purposes in the gross income of the Series 2020B Owners thereof pursuant to Section 103(b) of the Internal Revenue Code, and the rules and regulations promulgated thereunder. A judgment or order of a court of competent jurisdiction or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed (and is pending) and the time for filing such appeal or action has expired.

“Escrow Agent” means U.S. Bank National Association, and its successor and assigns pursuant to the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated September 1, 2020, between the Escrow Agent and the City, relating the partial defeasance of the Series 2006A Certificates.

“Event of Non-appropriation” means the termination and non-renewal of the Lease by the City, determined by the City Council’s failure, for any reason, to appropriate by the last day of each Fiscal Year: (a) sufficient amounts to be used to pay Series 2020A Base Rentals due in the next Fiscal Year; (b) sufficient amounts to be used to pay Series 2020B Base Rentals due in the next Fiscal Year; and (c) sufficient amounts to pay such Additional Rentals as are estimated to become due in the next Fiscal Year, as provided in the Lease.

“Federal Securities” means non-callable bills, certificates of indebtedness, notes or bonds which are direct obligations of, or the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Fiscal Year” means the City’s fiscal year, which begins on January 1 of each calendar year and ends on December 31 of the same calendar year, or any other twelve-month period which the City or other appropriate authority hereafter may establish as the City’s fiscal year.

“Indenture” means this Indenture of Trust dated as of September 1, 2020, executed and delivered by the Trustee as the same may be hereafter amended or supplemented.

“Initial Purchaser” means FirstBank, and its successors, as the initial purchaser of all the Certificates. All references to Initial Purchaser hereunder shall be applicable for so long as, and only to the extent that, the Initial Purchaser is the sole owner of all Outstanding Certificates. All references herein to Initial Purchaser shall be of no force and effect in the event that the Initial Purchaser is not the sole Owner of all Outstanding Certificates.
“Interest Payment Date” means June 1 and December 1 of each year, beginning December 1, 2020.

“Lease” means the Lease Purchase Agreement dated as of September 1, 2020, between the Trustee, as lessor, and the City, as lessee, as the same may be amended.

“Leased Property” has the meaning set forth in the Lease.

“Outstanding” or “Outstanding Series 2020A Taxable Certificates” means, with respect to the Series 2020A Taxable Certificates, all Series 2020A Taxable Certificates executed and delivered pursuant to this Indenture as of the time in question, except:

(a) All Series 2020A Taxable Certificates theretofore canceled or required to be canceled under Section 2.07 of this Indenture;

(b) Series 2020A Taxable Certificates in substitution for which other Series 2020A Taxable Certificates have been executed and delivered under Section 2.05 or 2.06 of this Indenture;

(c) Series 2020A Taxable Certificates which have been redeemed as provided in Article 4 of this Indenture;

(d) Series 2020A Taxable Certificates for the payment or redemption of which provision has been made in accordance with Article 7 of this Indenture; provided that, if such Series 2020A Taxable Certificates are being redeemed, the required notice of redemption has been given or provision satisfactory to the Trustee has been made therefor; and

(e) Series 2020A Taxable Certificates deemed to have been paid pursuant to Section 7.01 of this Indenture.

“Outstanding” or “Outstanding Series 2020B Certificates” means, with respect to the Series 2020B Certificates, all Series 2020B Certificates executed and delivered pursuant to this Indenture as of the time in question, except:

(a) All Series 2020B Certificates theretofore canceled or required to be canceled under Section 2.07 of this Indenture;

(b) Series 2020B Certificates in substitution for which other Series 2020B Certificates have been executed and delivered under Section 2.05 or 2.06 of this Indenture;

(c) Series 2020B Certificates which have been redeemed as provided in Article 5 of this Indenture;

(d) Series 2020B Certificates for the payment or redemption of which provision has been made in accordance with Article 7 of this Indenture; provided that, if such Series 2020B Certificates are being redeemed, the required notice of redemption has been given or provision satisfactory to the Trustee has been made therefor; and
(e) Series 2020B Certificates deemed to have been paid pursuant to Section 7.01 of this Indenture.

“Paying Agent” means the Trustee or any successor or additional paying agent appointed pursuant to this Indenture.

“Permitted Investments” means those investments the City is authorized to enter into under the laws of the State of Colorado.

“Property” has the meaning set forth in the recitals to the Lease.

“Purchase Option Price” means the amount payable on any date, at the option of the City, to defease this Indenture, prepay Series 2020A Base Rentals and Series 2020B Base Rentals, terminate the Lease Term and purchase the Trustee’s leasehold interest in the Leased Property as provided in the Lease and in this Indenture.

“Rebate Fund” means the fund created under Section 3.08 hereof.

“Regular Record Date” means the close of business on the 15th day of the calendar month immediately preceding the Interest Payment Date (or the Business Day immediately preceding such 15th day, if such 15th day is not a Business Day).

“Series 2006A Certificates” means the Refunding Certificates of Participation, Series 2006A, Evidencing Assignment of a Proportionate Undivided Interest in Rights to Receive Certain Revenues to be Received from the City of Lakewood, Colorado, Pursuant to a Lease Purchase and Sublease Agreement dated as of August 1, 2000, as amended by the First Amendment to Lease Purchase and Sublease Agreement dated as of April 1, 2004, and as amended and supplemented by the Second Amendment to Lease Purchase and Sublease Agreement dated as of February 1, 2006, with the Lakewood Public Building Authority.

“Series 2020A Base Rentals” means the portion of the Base Rentals related to the Series 2020A Refunding Project, as set forth in Exhibit C (Base Rentals Schedule) of the Lease, as it may be amended from time to time.

“Series 2020A Base Rentals Fund” means the fund created under Section 3.04 hereof.

“Series 2020A Costs of Execution and Delivery Fund” means the fund created under Section 3.05 hereof.

“Series 2020A Event(s) of Indenture Default” means those defaults specified in Section 8.01 of this Indenture.

“Series 2020A Extraordinary Mandatory Redemption” means any redemption made pursuant to Section 4.03 hereof.

“Series 2020A Interest Portion” means the portion of each Series 2020A Base Rentals payment that represents the payment of interest set forth in Exhibit C (Base Rentals Schedule) of the Lease, as it may be amended from time to time.
“Series 2020A Optional Redemption” means any redemption made pursuant to Section 4.01 hereof.

“Series 2020A Optional Redemption Date” means the date of redemption of the Series 2020A Taxable Certificates upon Series 2020A Prepayment of Series 2020A Base Rentals or the payment of the Purchase Option Price under the Lease.

“Series 2020A Owners” means the registered owners of any Series 2020A Taxable Certificates or Additional Series 2020A Certificates. The Initial Purchaser shall be the initial registered owner of all Outstanding Series 2020A Taxable Certificates.

“Series 2020A Prepayment” means any amount paid by the City pursuant to the provisions of the Lease as a prepayment of the Series 2020A Base Rentals due thereunder.

“Series 2020A Refunding Project” means the portion of the moneys received in connection with the execution of the Lease used to refinance the portion of the City’s obligations under the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund.

“Series 2020A Revenues” means (a) all amounts payable by or on behalf of the City or with respect to the Leased Property related to the Series 2020A Taxable Certificates or Series 2020A Refunding Project pursuant to the Lease including, but not limited to, all Series 2020A Base Rentals, Series 2020A Prepayments, the Purchase Option Price and Net Proceeds, but not including Additional Rentals; (b) any portion of the proceeds of the Series 2020A Taxable Certificates or the Additional Series 2020A Certificates deposited into the Series 2020A Base Rentals Fund; (c) any moneys which may be derived from any insurance in respect of the Series 2020A Taxable Certificates; and (d) any moneys and securities, including investment income, held by the Trustee in the Series 2020A Base Rentals Fund, Series 2020A Costs of Execution and Delivery Fund or any other fund established under this Indenture related to the Series 2020A Taxable Certificates.

“Series 2020A Taxable Certificates” means the “Certificates of Participation, Series 2020A, Evidencing Proportionate Interests in the Series 2020A Base Rentals and other Series 2020A Revenues under an annually renewable Lease Purchase Agreement dated as of September 1, 2020, between U.S. Bank National Association, solely in its capacity as trustee under the Indenture, as lessor, and the City of Lakewood, Colorado, as lessee” dated as of their date of delivery, executed and delivered pursuant to this Indenture, and issued in order to effectuate the Series 2020A Refunding Project. As used herein, the term “Series 2020A Taxable Certificates” does not include “Additional Series 2020A Certificates.”

“Series 2020A Trust Estate” means all of the property placed in trust by the Trustee pursuant to the Granting Clauses hereof.

“Series 2020B Base Rentals” means the portion of the Base Rentals related to the Series 2020B Irrigation Project, as set forth in Exhibit C (Base Rentals Schedule) of the Lease, as it may be amended from time to time.

“Series 2020B Base Rentals Fund” means the fund created under Section 3.06 hereof.
“Series 2020B Certificates” means the “Certificates of Participation, Series 2020B, Evidencing Proportionate Interests in the Series 2020B Base Rentals and other Series 2020B Revenues under an annually renewable Lease Purchase Agreement dated as of September 1, 2020, between U.S. Bank National Association, solely in its capacity as trustee under the Indenture, as lessor, and the City of Lakewood, Colorado, as lessee” dated as of their date of delivery, executed and delivered pursuant to this Indenture, and issued in order to effectuate the Series 2020B Irrigation Project. As used herein, the term “Series 2020B Certificates” does not include “Additional Series 2020B Certificates.”

“Series 2020B Costs of Execution and Delivery Fund” means the fund created under Section 3.07 hereof.

“Series 2020B Event(s) of Indenture Default” means those defaults specified in Section 9.01 of this Indenture.

“Series 2020B Extraordinary Mandatory Redemption” means any redemption made pursuant to Section 4.03 hereof.

“Series 2020B Interest Portion” means the portion of each Series 2020B Base Rentals payment that represents the payment of interest set forth in Exhibit C (Base Rentals Schedule) of the Lease, as it may be amended from time to time.

“Series 2020B Irrigation Project” means the portion of the moneys received in connection with the execution of the Site Lease and this Lease used to finance the design, construction, installation, acquisition, renovation, replacement, maintenance and repair of irrigation system improvements, and related appurtenances, at the Fox Hollow Golf Course.

“Series 2020B Optional Redemption” means any redemption made pursuant to Section 4.01 hereof.

“Series 2020B Optional Redemption Date” means the date of redemption of the Certificates upon Series 2020B Prepayment of Series 2020B Base Rentals or the payment of the Purchase Option Price under the Lease.

“Series 2020B Owners” means the registered owners of any Series 2020B Certificates or Additional Series 2020B Certificates. The Initial Purchaser shall be the initial registered owner of all Outstanding Series 2020B Certificates.

“Series 2020B Prepayment” means any amount paid by the City pursuant to the provisions of the Lease as a prepayment of the Series 2020B Base Rentals due thereunder.

“Series 2020B Revenues” means (a) all amounts payable by or on behalf of the City or with respect to the Leased Property related to the Series 2020B Certificates or Series 2020B Irrigation Project pursuant to the Lease including, but not limited to, all Series 2020B Base Rentals, Series 2020B Prepayments, the Purchase Option Price and Net Proceeds, but not including Additional Rentals; (b) any portion of the proceeds of the Series 2020B Certificates or the Additional Series 2020B Certificates deposited into the Series 2020B Base Rentals Fund; (c) any moneys which may be derived from any insurance in respect of the Series 2020B Certificates; and
(d) any moneys and securities, including investment income, held by the Trustee in the Series 2020B Base Rentals Fund, Series 2020B Costs of Execution and Delivery Fund or any other fund established under this Indenture related to the Series 2020B Certificates (except for moneys and securities held in the Rebate Fund or any defeasance escrow account).

“Series 2020B Trust Estate” means all of the property placed in trust by the Trustee pursuant to the Granting Clauses hereof.

“Site Lease” means the Site and Improvement Lease Agreement, dated as of September 1, 2020, between the City, as lessor, and the Trustee, as lessee, as the same may hereafter be amended.

“Special Counsel” means any counsel experienced in matters of municipal law and listed in the list of municipal bond attorneys, as published semiannually by The Bond Buyer, or any successor publication. So long as the Lease Term is in effect, the City shall have the right to select Special Counsel.

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

“Tax Certificate” means the Federal Tax Exemption Certificate entered into by the City with respect to this Lease and the Series 2020B Certificates.


ARTICLE 2
THE CERTIFICATES

Section 2.01 Amount of the Certificates; Nature of the Certificates. Except as provided in Section 2.08 hereof, the aggregate original principal amount of Series 2020A Taxable Certificates that may be executed and delivered pursuant to this Indenture shall be $[1,300,000]. The Series 2020A Taxable Certificates shall constitute proportionate interests in the Trustee’s right to receive the Series 2020A Base Rentals under the Lease and other Series 2020A Revenues. The Series 2020A Taxable Certificates shall constitute a contract between the Trustee and the Series 2020A Owners of such Series 2020A Taxable Certificates. In no event shall any decision by the City Council not to appropriate any amounts payable under the Lease be construed to constitute an action impairing such contract.
Except as provided in Section 2.09 hereof, the aggregate original principal amount of Series 2020B Certificates that may be executed and delivered pursuant to this Indenture shall be $[4,555,000]. The Series 2020B Certificates shall constitute proportionate interests in the Trustee’s right to receive the Series 2020B Base Rentals under the Lease and other Series 2020B Revenues. The Series 2020B Certificates shall constitute a contract between the Trustee and the Series 2020B Owners of such Series 2020B Certificates. In no event shall any decision by the City Council not to appropriate any amounts payable under the Lease be construed to constitute an action impairing such contract.

The Certificates shall not constitute a mandatory charge or requirement of the City in any ensuing Fiscal Year beyond the current Fiscal Year, and shall not constitute or give rise to a general obligation or other indebtedness of the City or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City, within the meaning of any constitutional, home rule charter or statutory debt provision or limitation. No provision of the Certificates shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. The execution and delivery of the Certificates shall not directly or indirectly obligate the City to renew the Lease from Fiscal Year to Fiscal Year or to make any payments beyond those appropriated for the City’s then current Fiscal Year.

Section 2.02 Forms, Interest Rates, Maturities and Other Terms of Certificates.

The Series 2020A Taxable Certificates shall be in substantially the form attached hereto as Exhibit A, the Series 2020B Certificates shall be in substantially the form attached hereto as Exhibit B and all provisions and terms of the Certificates set forth therein are incorporated in this Indenture.

The Series 2020A Taxable Certificates shall be executed and delivered in fully registered form in the principal amount of $[1,300,000], the Authorized Denomination thereof. Any Series 2020A Taxable Certificates issued upon the transfer or replacement of such Series 2020A Taxable Certificate shall be numbered consecutively in such manner as the Trustee shall determine.

The Series 2020B Certificates shall be executed and delivered in fully registered form in the principal amount of $[4,555,000], the Authorized Denomination thereof. Any Series 2020B Certificates issued upon the transfer or replacement of such Series 2020B Certificate shall be numbered consecutively in such manner as the Trustee shall determine.

The Certificates are executed and delivered under the authority of the Supplemental Act and shall so recite. Pursuant to Section 11-57-210 of the Supplemental Act, such recital shall be conclusive evidence of the validity and the regularity of the execution and delivery of the Certificates after their delivery for value.

The Series 2020A Taxable Certificates shall be dated September 1, 2020, and shall mature on June 1, 2026, payable initially in semi-annual interest-only installments as shown below, and then in annual sinking fund payments beginning June 1, 2022.

The Series 2020B Certificates shall be dated September 1, 2020, and shall mature on June 1, 2039, payable initially in semi-annual interest-only installments as shown below, and then in annual sinking fund payments beginning June 1, 2022.
The Series 2020A Taxable Certificates shall bear interest at a rate of 1.95% per annum.

The Series 2020B Certificates shall bear interest at a rate of 2.15% per annum.

The Certificates shall bear interest from their date to respective maturity or prior redemption at the rates per annum set forth above, payable on each Interest Payment Date and calculated on the basis of a 360-day year of twelve 30-day months.

The Owner of the Certificates is entitled to receive, subject to the terms of the Lease, the principal amount of such Certificates, in the principal installments in the amounts and on the dates specified below, and is entitled to receive interest on the principal amount at the interest rate specified above.

**Series 2020A Taxable Certificates**

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<th>Principal Installment</th>
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<tr>
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<tr>
<td>June 1, 2024</td>
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<td>June 1, 2025</td>
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<td>180,000</td>
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<td><strong>$1,300,000</strong></td>
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*Maturity.

**Series 2020B Certificates**

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal Installment</th>
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<tr>
<td>June 1, 2026</td>
<td>$120,000</td>
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<tr>
<td>Date</td>
<td>Amount</td>
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<td>June 1, 2039*</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$[4,555,000]</strong></td>
</tr>
</tbody>
</table>

*Maturity.

**Notwithstanding any provisions to the contrary contained herein, so long as the Initial Purchaser is the sole Owner of all Outstanding Certificates, the Initial Purchaser shall not be required to surrender such Certificates to the Trustee to receive payment in connection with principal installments, but shall be required to surrender the Certificates only on the respective final Maturity Date or redemption date, if any, to receive payment of the final principal payment hereof.**

The payment of principal, premium, if any, and interest represented by the Certificates shall be made in lawful money of the United States of America.

The Certificates shall be subject to redemption prior to maturity, all as provided in Articles 4 and 5 hereof.

The principal of, premium, if any, and interest on all Certificates shall be payable to the Owner thereof at its address last appearing on the registration books maintained by the Trustee. Notwithstanding the foregoing, so long as the Initial Purchaser is the sole owner of the Certificates, the installments of principal and interest on the Certificates shall be payable, without presentment, by wire transfer of funds to a bank account designated by the Initial Purchaser in written instructions to the Trustee.

Interest shall be paid to the Owner of each Certificate, as shown on the registration books kept by the Trustee, as of the close of business on the Regular Record Date, irrespective of any transfer of ownership of Certificates subsequent to the Regular Record Date and prior to such Interest Payment Date, or on a special record date, which shall be fixed by the Trustee for such purpose, irrespective of any transfer of ownership of Certificates subsequent to such special record date and prior to the date fixed by the Trustee for the payment of such interest. Notice of the special record date and of the date fixed for the payment of such interest shall be given by providing a copy thereof by electronic means or by first class mail postage prepaid at least ten (10) days prior to the special record date, to the Owner of each Certificate upon which interest will be paid, determined as of the close of business on the day preceding the giving of such notice.

**Section 2.03 Execution.** Each Certificate shall be executed with the manual signature of a duly authorized representative of the Trustee. It shall not be necessary that the same authorized representative of the Trustee sign all of the Certificates executed and delivered hereunder. In case
any authorized representative of the Trustee whose signature appears on the Certificates ceases to be such representative before delivery of the Certificates, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such authorized representative had remained as such authorized representative until delivery.

No Certificate shall be valid or obligatory for any purpose or entitled to any security or benefit hereunder unless and until executed in the manner prescribed by this Section, and such execution of any Certificate shall be conclusive evidence that such Certificate has been properly executed and delivered hereunder.

Section 2.04 Delivery of Certificates. The Certificates shall initially be registered in the name of the Initial Purchaser, or such other name as directed in writing by the Initial Purchaser. Upon the execution and delivery of this Indenture, the Trustee is authorized to execute and deliver the Certificates to the Initial Purchaser in the principal amount, maturity and interest rate set forth in Section 2.01 hereof, as provided in this Section:

(a) Before or upon the delivery by the Trustee of any of the Certificates, there shall be filed with the Trustee an originally executed counterpart of this Indenture, the Lease, the Site Lease, and a title insurance commitment or commitments (with a title insurance policy to be delivered in a timely fashion after the delivery of the Certificates) under which the Trustee’s leasehold interest in the Leased Property is insured in accordance with the requirements of the Lease; and

(b) Thereupon, the Trustee shall execute and deliver the Certificates to the Initial Purchaser upon payment to the Trustee of the purchase price thereof. Portions of such amounts so received shall be deposited in the Cost of Execution and Delivery Fund, all as provided in Article 3 hereof and in the Lease.

Section 2.05 Mutilated, Lost, Stolen or Destroyed Certificates. In the event the Certificates are in the hands of Owners and one or more of the Certificates is mutilated, lost, stolen or destroyed, a new Certificate may be executed by the Trustee, of like date, series, maturity, interest rate and denomination as that mutilated, lost, stolen or destroyed; provided that the Trustee shall have received indemnity from the Owner of the Certificate satisfactory to it and provided further, in case of any mutilated Certificate, that such mutilated Certificate shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Certificate, that there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee. In the event that any such Certificate shall have matured, instead of executing and delivering a duplicate Certificate, the Trustee may pay the same without surrender thereof. The Trustee may charge the Owner of the Certificate with its reasonable fees and expenses in connection herewith.

Section 2.06 Registration of Certificates; Persons Treated as Owners; Transfer and Exchange of Certificates. Books for the registration and for the transfer of Certificates shall be kept by the Trustee which is hereby appointed the registrar. Upon surrender for transfer of any Certificate at the principal corporate trust office of the Trustee or at such other location as it shall designate, the Trustee shall execute and deliver in the name of the transferee or transferees a new
Certificate or Certificates of the same series, of a like aggregate principal amount and interest rate and of the same maturity.

Certificates may be exchanged at the principal corporate trust office of the Trustee or at such other location as it shall designate for an equal aggregate principal amount of Certificates of the same series, interest rate, and the same maturity of other Authorized Denominations. The Trustee shall execute and deliver Certificates which the Owner making the exchange is entitled to receive, bearing numbers not contemporaneously outstanding.

All Certificates presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner or by his or her attorney duly authorized in writing.

The Trustee shall not be required to transfer or exchange any Certificate during the period of fifteen (15) days next preceding any Interest Payment Date nor to transfer or exchange any Certificate after the mailing of notice calling such Certificate for redemption has been made as herein provided, nor during the period of fifteen (15) days next preceding the mailing of such notice of redemption.

New Certificates delivered upon any transfer or exchange shall evidence the same obligations as the Certificates surrendered, shall be secured by this Indenture and entitled to all of the security and benefits hereof to the same extent as the Certificates surrendered. The person in whose name any Certificate shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal or interest on any Certificate shall be made only to or upon the written order of the Owner thereof or his, her or its legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge such Certificate to the extent of the sum or sums paid.

The Trustee shall require the payment, by any Owner requesting exchange or transfer of Certificates, of any reasonable transfer fees, tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

Notwithstanding the foregoing or any other provisions to the contrary contained herein, the, the transfer of the Certificates is limited to (a) an affiliate of the Initial Purchaser, (b) a trust or other custodial arrangement established by the Initial Purchaser or one of its affiliates, the owners of any beneficial interests in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, or (c) a qualified institutional buyer, provided that as a condition precedent to any such transfer, such buyer shall deliver to the City and the Trustee a sophisticated investor letter in substantially the form delivered by the Initial Purchaser on the Closing Date. In addition, any transfer of the Certificates must be in compliance with the securities laws of the United States of America; provided, however, that the Trustee shall have no duty to determine whether any requested transfer is in compliance with any such applicable securities laws.
Section 2.07 Cancellation of Certificates. Whenever any outstanding Certificates shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment thereof or for or after replacement pursuant to Sections 2.05 or 2.06 hereof, such Certificates shall be promptly canceled and destroyed by the Trustee in accordance with customary practices of the Trustee and applicable record retention requirements.

Section 2.08 Additional Series 2020A Certificates. So long as no Series 2020A Event of Indenture Default, Event of Non-appropriation or Event of Lease Default has occurred and is continuing and the Lease Term is in effect, one or more series of Additional Series 2020A Certificates may be executed and delivered upon the terms and conditions set forth herein. The principal of any Additional Series 2020A Certificates shall mature on June 1, and the Interest Payment Dates therefor shall be the same as the Interest Payment Dates for the Certificates; otherwise the times and amounts of payment of Additional Series 2020A Certificates shall be as provided in the supplemental ordinance or indenture and amendment to the Lease entered into in connection therewith.

Except as hereinafter provided, Additional Series 2020A Certificates may be executed and delivered only to pay any one or more of the following:

(a) the costs of making, at any time or from time to time, such substitutions, additions, modifications and improvements for or to the Leased Property as the City may deem necessary or desirable, and as in accordance with the provisions of the Lease; or

(b) for the purpose of refunding or refinancing all or any portion of Outstanding Series 2020A Taxable Certificates.

In such case, costs reasonably related to the purposes for which Additional Series 2020A Certificates are being executed and delivered may be included.

Additional Series 2020A Certificates may be executed and delivered only upon there being furnished to the Trustee:

(a) Originally executed counterparts of a supplemental Indenture and related and necessary amendments to the Site Lease and the Lease (including any necessary amendment to the Base Rentals Schedule); and

(b) A commitment or other evidence that the amount of the title insurance policy delivered in respect of the Series 2020A Taxable Certificates will be increased, if necessary, to reflect the amount of the Additional Series 2020A Certificates and all other Outstanding Series 2020A Taxable Certificates (or such lesser amount as shall be the maximum insurable value of the real property included in the Leased Property); and

(c) A written opinion of Special Counsel to the effect that:

(i) the execution and delivery of Additional Series 2020A Certificates have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled;
(ii) the excludability of interest from gross income for federal income tax purposes on Outstanding Series 2020B Certificates will not be adversely affected by the execution and delivery of the Additional Series 2020A Certificates being executed and delivered; and

(iii) the sale, execution and delivery of the Additional Series 2020A Certificates, in and of themselves, will not constitute a Series 2020A Event of Indenture Default or an Event of Lease Default nor cause any violation of the covenants or representations herein or in the Lease;

(d) So long as the Initial Purchaser is the sole Owner of all the Series 2020A Outstanding Certificates, written consent of the Initial Purchaser; and

(e) Written directions from the City to the Trustee to deliver the Additional Series 2020A Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a specified purchase price.

Each Series 2020A Additional Certificate executed and delivered pursuant to this Section shall evidence a proportionate interest in the rights to receive the Series 2020A Revenues under this Indenture and shall be ratably secured with all Series 2020A Outstanding Certificates and in respect of all Series 2020A Revenues, and shall be ranked \textit{pari passu} with such Outstanding Series 2020A Taxable Certificates and with Additional Series 2020A Certificates that may be executed and delivered in the future, if any.

Notwithstanding the foregoing, or anything to the contrary contained herein or in the Lease, so long as the Initial Purchaser is the sole Owner of all Outstanding Series 2020A Taxable Certificates, Additional Series 2020A Certificates may be issued for any other purpose and upon compliance with any other conditions so long as the City and the Initial Purchaser consent in writing to the execution and delivery of any such Additional Series 2020A Certificates.

Nothing herein shall be construed to prohibit or restrict the right of the City to enter into lease purchase agreements or execute and deliver certificates of participation that do not encumber the Leased Property hereunder or create a lien on the Funds and accounts created under this Indenture.

**Section 2.09 Additional Series 2020B Certificates.** So long as no Series 2020B Event of Indenture Default, Event of Non-appropriation or Event of Lease Default has occurred and is continuing and the Lease Term is in effect, one or more series of Additional Series 2020B Certificates may be executed and delivered upon the terms and conditions set forth herein. The principal of any Additional Series 2020B Certificates shall mature on June 1, and the Interest Payment Dates therefor shall be the same as the Interest Payment Dates for the Series 2020B Certificates; otherwise the times and amounts of payment of Additional Series 2020B Certificates shall be as provided in the supplemental ordinance or indenture and amendment to the Lease entered into in connection therewith.

Except as hereinafter provided, Additional Series 2020B Certificates may be executed and delivered only to pay any one or more of the following:
(a) the costs of making, at any time or from time to time, such substitutions, additions, modifications and improvements for or to the Leased Property as the City may deem necessary or desirable, and as in accordance with the provisions of the Lease; or

(b) for the purpose of refunding or refinancing all or any portion of Outstanding Series 2020B Certificates.

In such case, costs reasonably related to the purposes for which Additional Series 2020B Certificates are being executed and delivered may be included.

Additional Series 2020B Certificates may be executed and delivered only upon there being furnished to the Trustee:

(c) Originally executed counterparts of a supplemental Indenture and related and necessary amendments to the Site Lease and the Lease (including any necessary amendment to the Base Rentals Schedule); and

(d) A commitment or other evidence that the amount of the title insurance policy delivered in respect of the Series 2020B Certificates will be increased, if necessary, to reflect the amount of the Additional Series 2020B Certificates and all other Outstanding Series 2020B Certificates (or such lesser amount as shall be the maximum insurable value of the real property included in the Leased Property); and

(e) A written opinion of Special Counsel to the effect that:

(i) the execution and delivery of Additional Series 2020B Certificates have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled;

(ii) the excludability of interest from gross income for federal income tax purposes on Outstanding Series 2020B Certificates will not be adversely affected by the execution and delivery of the Additional Series 2020B Certificates being executed and delivered; and

(iii) the sale, execution and delivery of the Additional Series 2020B Certificates, in and of themselves, will not constitute a Series 2020B Event of Indenture Default or an Event of Lease Default nor cause any violation of the covenants or representations herein or in the Lease;

(f) So long as the Initial Purchaser is the sole Series 2020B Owner of all the Outstanding Series 2020B Certificates, written consent of the Initial Purchaser; and

(g) Written directions from the City to the Trustee to deliver the Additional Series 2020B Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a specified purchase price.

Each Additional Series 2020B Certificate executed and delivered pursuant to this Section shall evidence a proportionate interest in the rights to receive the Series 2020B Revenues under this Indenture and shall be ratably secured with all Outstanding Series 2020B Certificates and in respect of all Series 2020B Revenues, and shall be ranked pari passu with such Outstanding Series
2020B Certificates and with Additional Series 2020B Certificates that may be executed and delivered in the future, if any.

Notwithstanding the foregoing, or anything to the contrary contained herein or in the Lease, so long as the Initial Purchaser is the sole Series 2020B Owner of all Outstanding Series 2020B Certificates, Additional Series 2020B Certificates may be issued for any other purpose and upon compliance with any other conditions so long as the City and the Initial Purchaser consent in writing to the execution and delivery of any such Additional Series 2020B Certificates.

Nothing herein shall be construed to prohibit or restrict the right of the City to enter into lease purchase agreements or execute and deliver certificates of participation that do not encumber the Leased Property hereunder or create a lien on the Funds and accounts created under this Indenture.

Section 2.10 Uniform Commercial Code. Subject to the registration provisions hereof, the Certificates shall be fully negotiable and shall have all the qualities of negotiable paper, and the owner or owners thereof shall possess all rights enjoyed by the holders or owners of investment securities under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest on the Certificates shall be paid, and the Certificates shall be transferable, free from and without regard to any equities, set-offs or cross-claims between or among the City, the Trustee and the original or any intermediate owner of any Certificates.
ARTICLE 3
REVENUES AND FUNDS

Section 3.01 Disposition of Proceeds of Series 2020A Taxable Certificates. The net proceeds of the Series 2020A Taxable Certificates (i.e., $[1,300,000]) shall be accounted for as follows:

(i) $[ ] shall be deposited with the Escrow Agent pursuant to the terms of the Site Lease and Escrow Agreement, to defease the portion of the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund and otherwise complete the Series 2020A Refunding Project.

(ii) $[ ] shall be deposited in the Series 2020A Costs of Execution and Delivery Fund and be applied to the Costs of Execution and Delivery.

Section 3.02 Disposition of Proceeds of Series 2020B Certificates. The net proceeds of the Series 2020B Certificates (i.e., $[4,555,000]) shall be accounted for as follows:

(i) $[ ] shall be remitted to or at the direction of the City and be used, together with other available moneys of the City, to finance the Series 2020B Irrigation Project.

(ii) $[ ] shall be deposited in the Series 2020B Costs of Execution and Delivery Fund and be applied to the Costs of Execution and Delivery.

Section 3.03 Application of Revenues and Other Moneys.

(a) All Series 2020A Base Rentals and Series 2020B Base Rentals payable under the Lease and other Series 2020A Revenues and Series 2020B Revenues shall be paid directly to the Trustee. If the Trustee receives any other payments on account of the Lease, the Trustee shall immediately deposit the same as provided below.

(b) Except for Net Proceeds to be applied pursuant to Section 11.02 of the Lease, the Trustee shall deposit all Series 2020A Revenues immediately upon receipt thereof, to the Series 2020A Base Rentals Fund in an amount required to cause the aggregate amount on deposit therein to equal the amount then required to make the principal and interest payments due on the Series 2020A Taxable Certificates on the next Interest Payment Date. In the event that the Trustee receives Series 2020A Prepayments under the Lease, the Trustee shall apply such Series 2020A Prepayments to the Series 2020A Optional Redemption of the Series 2020A Taxable Certificates or portions thereof in accordance with Section 4.01 hereof.

(c) Except for Net Proceeds to be applied pursuant to Section 11.02 of the Lease, the Trustee shall deposit all Series 2020B Revenues immediately upon receipt thereof to the Series 2020B Base Rentals Fund in an amount required to cause the aggregate amount on deposit therein to equal the amount then required to make the principal and interest payments due on the Series 2020B Certificates on the next Interest Payment Date. In the event that the Trustee receives Series 2020B Prepayments under the Lease, the Trustee shall apply such Series 2020B Prepayments to the Series 2020B Optional Redemption of the Series 2020B Certificates or portions thereof in accordance with Section 5.01 hereof.
(d) Any other payments received by the Trustee in respect of the Lease shall be applied to the Series 2020A Base Rentals Fund and the Series 2020B Base Rentals Fund on a pro rata basis in accordance with the relative Outstanding principal amounts of the Series 2020A Taxable Certificates and Series 2020B Certificates.

Section 3.04 Series 2020A Base Rentals Fund. A special fund is hereby created and established with the Trustee denominated the “City of Lakewood, Colorado, 2020 Lease Purchase Agreement, Series 2020A Base Rentals Fund” which shall be used for the deposit of all Series 2020A Revenues, upon receipt thereof by the Trustee, except for Net Proceeds to be applied pursuant to Section 11.02 of the Lease. Moneys in the Series 2020A Base Rentals Fund shall be used solely for the payment of the principal of and interest on the Series 2020A Taxable Certificates whether on an Interest Payment Date, at maturity or upon prior redemption, except as provided in 3.07 hereof.

The Series 2020A Base Rentals Fund shall be in the custody of the Trustee. The Trustee shall withdraw sufficient funds from the Series 2020A Base Rentals Fund to pay the principal of and interest on the Series 2020A Taxable Certificates as the same become due and payable whether on an Interest Payment Date, at maturity or upon prior redemption, which responsibility, to the extent of the moneys therein, the Trustee hereby accepts.

Any moneys held in the Series 2020A Base Rentals Fund shall be invested by the Trustee in accordance with Article 6 hereof.

Section 3.05 Series 2020A Costs of Execution and Delivery Fund. A special fund is hereby created and established with the Trustee and denominated the “Series 2020A Costs of Execution and Delivery Fund.” Upon the delivery of the Series 2020A Taxable Certificates there shall be deposited into the Series 2020A Costs of Execution and Delivery Fund from the proceeds of the Series 2020A Taxable Certificates the amounts directed by Section 3.02(i) hereof. Payments from the Series 2020A Costs of Execution and Delivery Fund shall be made by the Trustee upon receipt of a requisition for the provision of Costs of Execution and Delivery as approved in writing by the City Representative and (a) stating the payee, the amount to be paid and the purpose of the payment and (b) certifying that the amount to be paid is due and payable, has not been the subject of any previous requisition and is a proper charge against the Series 2020A Costs of Execution and Delivery Fund. The Trustee may conclusively rely on requisitions submitted in accordance with this Section 3.05 as complete authorization for the disbursements made pursuant thereto and shall not be responsible for any representations or certifications made therein.

Any moneys held in the Series 2020A Costs of Execution and Delivery Fund shall be invested by the Trustee in accordance with Article 6 hereof.

The Trustee shall transfer all moneys remaining in the Series 2020A Costs of Execution and Delivery Fund to the Series 2020A Base Rentals Fund (as directed in writing by the City Representative) upon the earlier to occur of: (a) 90 days after the execution and delivery of the Series 2020A Taxable Certificates, or (b) the final payment of all Costs of Execution and Delivery, as certified in writing by the City Representative.
Section 3.06 Series 2020B Base Rentals Fund. A special fund is hereby created and established with the Trustee denominated the “City of Lakewood, Colorado, 2020 Lease Purchase Agreement, Series 2020B Base Rentals Fund” which shall be used for the deposit of all Series 2020B Revenues, upon receipt thereof by the Trustee, except for Net Proceeds to be applied pursuant to Section 11.02 of the Lease. Moneys in the Series 2020B Base Rentals Fund shall be used solely for the payment of the principal of and interest on the Series 2020B Certificates whether on an Interest Payment Date, at maturity or upon prior redemption, except as provided in 3.08 hereof.

The Series 2020B Base Rentals Fund shall be in the custody of the Trustee. The Trustee shall withdraw sufficient funds from the Series 2020B Base Rentals Fund to pay the principal of and interest on the Series 2020B Certificates as the same become due and payable whether on an Interest Payment Date, at maturity or upon prior redemption, which responsibility, to the extent of the moneys therein, the Trustee hereby accepts.

Any moneys held in the Series 2020B Base Rentals Fund shall be invested by the Trustee in accordance with Article 6 hereof.

Section 3.07 Series 2020B Costs of Execution and Delivery Fund. A special fund is hereby created and established with the Trustee and denominated the “Series 2020B Costs of Execution and Delivery Fund.” Upon the delivery of the Series 2020B Certificates there shall be deposited into the Series 2020B Costs of Execution and Delivery Fund from the proceeds of the Series 2020B Certificates the amounts directed by Section 3.02(ii) hereof. Payments from the Series 2020B Costs of Execution and Delivery Fund shall be made by the Trustee upon receipt of a requisition for the provision of Costs of Execution and Delivery as approved in writing by the City Representative and (a) stating the payee, the amount to be paid and the purpose of the payment and (b) certifying that the amount to be paid is due and payable, has not been the subject of any previous requisition and is a proper charge against the Series 2020B Costs of Execution and Delivery Fund. The Trustee may conclusively rely on requisitions submitted in accordance with this Section 3.07 as complete authorization for the disbursements made pursuant thereto and shall not be responsible for any representations or certifications made therein.

Any moneys held in the Series 2020B Costs of Execution and Delivery Fund shall be invested by the Trustee in accordance with Article 6 hereof.

The Trustee shall transfer all moneys remaining in the Series 2020B Costs of Execution and Delivery Fund to the Series 2020B Base Rentals Fund (as directed in writing by the City Representative) upon the earlier to occur of: (a) 90 days after the execution and delivery of the Series 2020B Certificates, or (b) the final payment of all Costs of Execution and Delivery, as certified in writing by the City Representative.

Section 3.08 Rebate Fund. A special fund is hereby created and established to be held by the Trustee, and to be designated the “Series 2020B Certificates of Participation Rebate Fund” (the “Rebate Fund”). To the extent necessary to comply with the provisions of the Tax Certificate, there shall be deposited into the Rebate Fund investment income on moneys in any fund created hereunder (except defeasance escrows). In addition to the deposit of investment income as provided herein, there shall be deposited into the appropriate account in the Rebate Fund moneys
received from the City as Additional Rentals for rebate payments pursuant to the Lease; moneys transferred to an account in the Rebate Fund from any other fund created hereunder pursuant to the provisions of this Section 3.08; and all other moneys received by the Trustee when accompanied by directions not inconsistent with the Lease or this Indenture that such moneys are to be paid into an account of the Rebate Fund. The City will cause (or direct the Trustee to cause) amounts on deposit in the Rebate Fund to be forwarded to the United States Treasury at the address and times provided in the Tax Certificate, and in the amounts calculated to ensure that the City’s rebate obligations are met, in accordance with the City’s tax covenants in Section 12.5 of the Lease. Amounts on deposit in the Rebate Fund shall not be subject to the lien of this Indenture to the extent that such amounts are required to be paid to the United States Treasury.

If, at any time after the Trustee receives instructions by the City to make any payments from the Rebate Fund, the Trustee determines that the moneys on deposit in the Rebate Fund are insufficient for the purposes thereof, and if the Trustee does not receive Additional Rentals or cannot transfer investment income so as to make the amount on deposit in the Rebate Fund sufficient for its purpose, the Trustee may transfer moneys to an account in the Rebate Fund from the Series 2020B Base Rentals Fund. Any moneys so advanced shall be included in the City’s estimates of Additional Rentals for the ensuing Fiscal Year pursuant to the Lease and shall be repaid to the fund from which advanced upon payment to the Trustee of such Additional Rentals. Upon receipt by the Trustee of an opinion of nationally recognized bond counsel to the effect that the amount in an account of the Rebate Fund is in excess of the amount required to be therein pursuant to the provisions of the relevant Tax Certificate, such excess shall be transferred to the Series 2020B Base Rentals Fund.

The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report. The City may, at its own expense, retain an independent firm of professionals in such area to calculate such rebate amounts.

Notwithstanding the foregoing, in the event that the Lease has been terminated or the City has failed to comply with Section 12.5 thereof so as to make the amount on deposit in the appropriate account in Rebate Fund sufficient for its purpose, the Trustee shall make transfers of investment income or of moneys from the above-described funds in such combination as the Trustee shall determine to be in the best interests of the Series 2020B Certificate Owners.

**Section 3.09 Moneys to be Held in Trust.** The ownership of the Series 2020A Base Rentals Fund, Series 2020A Costs of Execution and Delivery Fund and any accounts within such Fund and any other fund or account created hereunder related to the Series 2020A Taxable Certificates (except defeasance escrow account) shall be held in trust by the Trustee for the benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates.

The ownership of the Series 2020B Base Rentals Fund, the Series 2020B Costs of Execution and Delivery Fund, and any accounts within such Funds and any other fund or account created hereunder related to the Series 2020B Certificates (except defeasance escrow account) shall be held in trust by the Trustee for the benefit of the Series 2020B Owners of the Series 2020B Certificates; provided that moneys in the Rebate Fund shall be used only for the specific purpose provided in Section 3.08 hereof.
Section 3.10  Nonpresentment of Certificates. Any moneys deposited with the Trustee pursuant to the terms of this Indenture to be used for the payment of principal of, premium, if any, or interest on any of the Series 2020A Taxable Certificates and remaining unclaimed by the Series 2020A Owners of such Series 2020A Taxable Certificates for a period of three (3) years after the final due date of any Series 2020A Taxable Certificate (during which three year period such moneys shall not be required to be invested by the Trustee), whether the final date of maturity or the final redemption date, shall, if the City shall not at the time be in default with respect to any of the terms and conditions contained in this Indenture, in the Series 2020A Taxable Certificates or under the Lease, be paid to the City and such Series 2020A Owners shall thereafter look only to the City for payment and then only (a) to the extent of the amounts so received by the City from the Trustee without interest thereon, (b) subject to the defense of any applicable statute of limitations and (c) subject to the City’s Appropriation of such payment. After payment by the Trustee of all of the foregoing, if any moneys are then remaining under this Indenture related to the Series 2020A Taxable Certificates or Series 2020A Revenues, the Trustee shall pay such moneys to the City as an overpayment of Series 2020A Base Rentals.

Any moneys deposited with the Trustee pursuant to the terms of this Indenture to be used for the payment of principal of, premium, if any, or interest on any of the Series 2020B Certificates and remaining unclaimed by the Series 2020B Owners of such Series 2020B Certificates for a period of three (3) years after the final due date of any Series 2020B Certificate (during which three year period such moneys shall not be required to be invested by the Trustee), whether the final date of maturity or the final redemption date, shall, if the City shall not at the time be in default with respect to any of the terms and conditions contained in this Indenture, in the Series 2020B Certificates or under the Lease, be paid to the City and such Series 2020B Owners shall thereafter look only to the City for payment and then only (a) to the extent of the amounts so received by the City from the Trustee without interest thereon, (b) subject to the defense of any applicable statute of limitations and (c) subject to the City’s Appropriation of such payment. After payment by the Trustee of all of the foregoing, if any moneys are then remaining under this Indenture related to the Series 2020B Certificates, Series 2020B Revenues or otherwise, the Trustee shall pay such moneys to the City as an overpayment of Series 2020B Base Rentals.

Section 3.11  Repayment to the City from the Trustee.  After payment in full of the Series 2020A Taxable Certificates, the interest thereon, any premium thereon, the fees, charges and expenses of the Trustee related to the Series 2020A Taxable Certificates, any amounts remaining in the Series 2020A Base Rentals Fund, the Series 2020A Costs of Execution and Delivery Fund, or otherwise held by the Trustee related to the Series 2020A Taxable Certificates pursuant hereto shall be paid to the City upon the expiration or sooner termination of the Lease Term as a return of an overpayment of Series 2020A Base Rentals.

After payment in full of the Series 2020B Certificates, the interest thereon, any premium thereon, the fees, charges and expenses of the Trustee, any amount required to be deposited in the Rebate Fund, and all other amounts required to be paid hereunder and under the Lease, any amounts remaining in the Series 2020B Base Rentals Fund, the Series 2020B Costs of Execution and Delivery Fund, or otherwise held by the Trustee pursuant hereto (but excluding the Rebate Fund and any defeasance escrow accounts) shall be paid to the City upon the expiration or sooner termination of the Lease Term as a return of an overpayment of Series 2020B Base Rentals.
After payment of all amounts due and owing the federal government held in the Rebate Fund, if any, any excess amounts in the Rebate Fund shall be paid to the City.
ARTICLE 4
REDEMPTION OF SERIES 2020A TAXABLE CERTIFICATES

Section 4.01 Optional Redemption. The Series 2020A Taxable Certificates shall be subject to redemption prior to their maturity date at the option of the City, in whole or in part, on any date and in any amount, at a redemption price equal to the principal amount of the Series 2020A Taxable Certificates so redeemed plus accrued interest to the redemption date without a premium.

Any partial optional redemption shall, at the option of the City, be applied (a) pro rata against the principal installment schedule in each year, (b) in inverse order of principal installment schedule, or (c) as otherwise determined by the City. Upon any such redemption in part, the City shall provide the Initial Purchaser and the Trustee with a revised principal installment schedule and the Base Rental Schedule in the Lease shall be correspondingly revised. The Trustee may conclusively rely upon such revised Base Rentals Schedule and has no duty to make an independent investigation in connection therewith.

Section 4.02 Mandatory Sinking Fund Redemption. The principal amount of the Series 2020A Taxable Certificates is payable in installments as further set forth in Section 2.02 hereof.

Section 4.03 Extraordinary Mandatory Redemption. If the Lease is terminated by reason of the occurrence of:

(a) an Event of Non-appropriation, or

(b) an Event of Lease Default, or

(c) in the event that (1) the Leased Property is damaged or destroyed in whole or in part by fire or other casualty, or (2) title to, or the temporary or permanent use of, the Leased Property has been taken by eminent domain by any governmental body or (3) breach of warranty or any material defect with respect to the Leased Property becomes apparent or (4) title to or the use of all or any part of the Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds of any insurance, performance bond or condemnation award, or Net Proceeds received as a consequence of defaults under contracts relating to the Leased Property, made available by reason of such occurrences, shall be insufficient to pay in full, the cost of repairing or replacing the Leased Property, and the City does not appropriate sufficient funds for such purpose or cause the Lease to be amended in order that Additional Series 2020A Certificates may be executed and delivered pursuant to this Indenture for such purpose, then the Series 2020A Taxable Certificates shall be required to be called for redemption, except as hereinafter provided. If called for redemption, as described herein, the Series 2020A Taxable Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the Lease, otherwise received and other moneys then available under this Indenture are
insufficient to pay in full the principal of and accrued interest on all Outstanding Series 2020A Taxable Certificates, the Trustee may, with the consent of the Initial Purchaser, or at the request of the Series 2020A Owners of a majority in aggregate principal amount of the Series 2020A Taxable Certificates Outstanding, and upon indemnification as provided in Section 10.01(d) of this Indenture, without any further demand or notice, shall, exercise all or any combination of Lease Remedies as provided in the Lease and the Series 2020A Taxable Certificates shall be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, then on hand and being held by the Trustee for the Series 2020A Owners of the Series 2020A Taxable Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem the Series 2020A Taxable Certificates and Series 2020B Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys shall be allocated proportionately among the Series 2020A Taxable Certificates and Series 2020B Certificates, according to the principal amount thereof Outstanding. In the event that such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are in excess of the amount required to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such excess moneys shall be paid to the City as an overpayment of the Purchase Option Price. Prior to any distribution of the Net Proceeds resulting from the exercise of any of such remedies, the Trustee shall be entitled to payment of its reasonable and customary fees for all services rendered in connection with such disposition, as well as reimbursement for all reasonable costs and expenses, including attorneys’ fees, incurred thereby, from proceeds resulting from the exercise of such Lease Remedies and other moneys.

IF THE SERIES 2020A TAXABLE CERTIFICATES ARE REDEEMED PURSUANT TO THIS SECTION 4.03 FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT SHALL BE DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE RELATED SERIES 2020A TAXABLE CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO SERIES 2020A OWNER OF SUCH SERIES 2020A TAXABLE CERTIFICATES SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE CITY.

Notwithstanding the foregoing or any other provisions to the contrary in the Lease or this Indenture, so long as the Initial Purchaser is the sole Series 2020A Owner of the Series 2020A Taxable Certificates, the Series 2020A Taxable Certificates shall not be subject to extraordinary mandatory redemption under this Section 4.03 and the Trustee may not apply any Net Proceeds or other available moneys to the redemption of the Series 2020A Taxable Certificates prior to their maturity date or mandatory sinking fund redemption dates without the prior written consent of the Initial Purchaser. In the absence of such consent, the Trustee shall apply the Net Proceeds to the payment of the principal of and interest on the Series 2020A Taxable Certificates on the regularly scheduled maturity date thereof, mandatory sinking fund redemption dates thereof, and interest payment dates of the Series 2020A Taxable Certificates.

Section 4.04 Partial Optional Redemption. Upon surrender of any Series 2020A Taxable Certificate for redemption in part, the Trustee shall execute and deliver to the Series
A Owner thereof, at no expense of the Series 2020A Owner, a new Series 2020A Taxable Certificate or Series 2020A Taxable Certificates of Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Series 2020A Taxable Certificates so surrendered.

Section 4.05 Notice of Redemption. Whenever Series 2020A Taxable Certificates are to be redeemed under any provision of this Indenture, the Trustee shall, not less than thirty (30) and not more than sixty (60) days prior to the redemption date (except for Extraordinary Mandatory Redemption under Section 4.03, which notice shall be immediate), mail notice of redemption to all Series 2020A Owners of all Series 2020A Taxable Certificates to be redeemed at their registered addresses, by first class mail, postage prepaid, or in the event that the Series 2020A Taxable Certificates to be redeemed are registered in the name of the Initial Purchaser, such notice may, in the alternative, be given by electronic means if so directed by the Initial Purchaser. In addition, the Trustee shall at all reasonable times make available to the City and any Series 2020A Taxable Certificate Owner information as to Series 2020A Taxable Certificates which have been redeemed or called for redemption. Any notice of redemption shall:

1. identify the Series 2020A Taxable Certificates to be redeemed;
2. specify the redemption date and the redemption price;
3. in the event the redemption is occurring under Section 4.01 hereof, state that the City has given notice of its intent to exercise its option to purchase or prepay Series 2020A Base Rentals under the Lease;
4. state that such redemption is subject to the deposit of the funds related to such option by the City on or before the stated redemption date; and
5. state that on the redemption date the Series 2020A Taxable Certificates called for redemption will be payable at the principal corporate trust office of the Trustee and that from that date interest will cease to accrue.

Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Series 2020A Taxable Certificates 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 Series 2020A Taxable Certificates called for redemption in the same manner as the original redemption notice was given.

Section 4.06 Redemption Payments. On or prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay the Series 2020A Taxable Certificates called for redemption, together with accrued interest thereon to the redemption date, and any required premium. Upon the giving of notice and the deposit of such funds as may be available for redemption pursuant to this Indenture (which, in certain cases as set forth above may be less than the full principal amount of the Outstanding Series 2020A Taxable Certificates and accrued interest thereon to the redemption date), interest on the Series 2020A Taxable Certificates or portions thereof thus called shall no longer accrue after the date fixed for redemption. Payments
in full redemption shall be accompanied by a written designation prepared by the Trustee stating the portions of the payment representing principal, interest, and premium, if any.
ARTICLE 5
REDEMPTION OF SERIES 2020B CERTIFICATES

Section 5.01 Optional Redemption. The Series 2020B Certificates shall be subject to redemption prior to their maturity date at the option of the City, in whole or in part, on any date and in any amount, at a redemption price equal to the principal amount of the Series 2020B Certificates so redeemed plus accrued interest to the redemption date without a premium.

Any partial optional redemption shall, at the option of the City, be applied (a) pro rata against the principal installment schedule in each year, (b) in inverse order of principal installment schedule, or (c) as otherwise determined by the City. Upon any such redemption in part, the City shall provide the Initial Purchaser and the Trustee with a revised principal installment schedule and the Base Rental Schedule in the Lease shall be correspondingly revised. The Trustee may conclusively rely upon such revised Base Rentals Schedule and has no duty to make an independent investigation in connection therewith.

Section 5.02 Mandatory Sinking Fund Redemption. The principal amount of the Series 2020B Certificates is payable in installments as further set forth in Section 2.02 hereof.

Section 5.03 Extraordinary Mandatory Redemption. If the Lease is terminated by reason of the occurrence of:

(a) an Event of Non-appropriation, or

(b) an Event of Lease Default, or

(c) in the event that (1) the Leased Property is damaged or destroyed in whole or in part by fire or other casualty, or (2) title to, or the temporary or permanent use of, the Leased Property has been taken by eminent domain by any governmental body or (3) breach of warranty or any material defect with respect to the Leased Property becomes apparent or (4) title to or the use of all or any part of the Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds of any insurance, performance bond or condemnation award, or Net Proceeds received as a consequence of defaults under contracts relating to the Leased Property, made available by reason of such occurrences, shall be insufficient to pay in full, the cost of repairing or replacing the Leased Property, and the City does not appropriate sufficient funds for such purpose or cause the Lease to be amended in order that Additional Series 2020B Certificates may be executed and delivered pursuant to this Indenture for such purpose, then the Series 2020B Certificates shall be required to be called for redemption, except as hereinafter provided. If called for redemption, as described herein, the Series 2020B Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the Lease, otherwise received and other moneys then available under this Indenture are insufficient to pay in full the principal of and accrued interest on all Outstanding Series 2020B Certificates, the Trustee may, with the consent of the Initial Purchaser, or at the request of the
Series 2020B Owners of a majority in aggregate principal amount of the Series 2020B Certificates Outstanding, and upon indemnification as provided in Section 10.01(d) of this Indenture, without any further demand or notice, shall, exercise all or any combination of Lease Remedies as provided in the Lease and the Series 2020B Certificates shall be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, then on hand and being held by the Trustee for the Series 2020B Owners of the Series 2020B Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem the Series 2020A Taxable Certificates and Series 2020B Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys shall be allocated proportionately among the Series 2020A Taxable Certificates and Series 2020B Certificates, according to the principal amount thereof Outstanding. In the event that such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are in excess of the amount required to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such excess moneys shall be paid to the City as an overpayment of the Purchase Option Price. Prior to any distribution of the Net Proceeds resulting from the exercise of any of such remedies, the Trustee shall be entitled to payment of its reasonable and customary fees for all services rendered in connection with such disposition, as well as reimbursement for all reasonable costs and expenses, including attorneys’ fees, incurred thereby, from proceeds resulting from the exercise of such Lease Remedies and other moneys.

IF THE SERIES 2020B CERTIFICATES ARE REDEEMED PURSUANT TO THIS SECTION 5.03 FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT SHALL BE DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE RELATED SERIES 2020B CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO SERIES 2020B OWNER OF SUCH SERIES 2020B CERTIFICATES SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE CITY.

Notwithstanding the foregoing or any other provisions to the contrary in the Lease or this Indenture, so long as the Initial Purchaser is the sole Series 2020B Owner of the Series 2020B Certificates, the Series 2020B Certificates shall not be subject to extraordinary mandatory redemption under this Section 5.03 and the Trustee may not apply any Net Proceeds or other available moneys to the redemption of the Series 2020B Certificates prior to their maturity date or mandatory sinking fund redemption dates without the prior written consent of the Initial Purchaser. In the absence of such consent, the Trustee shall apply the Net Proceeds to the payment of the principal of and interest on the Series 2020B Certificates on the regularly scheduled maturity date thereof, mandatory sinking fund redemption dates thereof, and interest payment dates of the Series 2020B Certificates.

Section 5.04 Partial Optional Redemption. Upon surrender of any Series 2020B Certificate for redemption in part, the Trustee shall execute and deliver to the Series 2020B Owner thereof, at no expense of the Series 2020B Owner, a new Series 2020B Certificate or Series 2020B Certificates of Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Series 2020B Certificates so surrendered.
Section 5.05 Notice of Redemption. Whenever Series 2020B Certificates are to be redeemed under any provision of this Indenture, the Trustee shall, not less than thirty (30) and not more than sixty (60) days prior to the redemption date (except for Extraordinary Mandatory Redemption under Section 5.03, which notice shall be immediate), mail notice of redemption to all Series 2020B Owners of all Series 2020B Certificates to be redeemed at their registered addresses, by first class mail, postage prepaid, or in the event that the Series 2020B Certificates to be redeemed are registered in the name of the Initial Purchaser, such notice may, in the alternative, be given by electronic means if so directed by the Initial Purchaser. In addition, the Trustee shall at all reasonable times make available to the City and any Series 2020B Certificate Owner information as to Series 2020B Certificates which have been redeemed or called for redemption. Any notice of redemption shall:

1. identify the Series 2020B Certificates to be redeemed;
2. specify the redemption date and the redemption price;
3. in the event the redemption is occurring under Section 5.01 hereof, state that the City has given notice of its intent to exercise its option to purchase or prepay Series 2020B Base Rentals under the Lease;
4. state that such redemption is subject to the deposit of the funds related to such option by the City on or before the stated redemption date; and
5. state that on the redemption date the Series 2020B Certificates called for redemption will be payable at the principal corporate trust office of the Trustee and that from that date interest will cease to accrue.

Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Series 2020B Certificates 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 Series 2020B Certificates called for redemption in the same manner as the original redemption notice was given.

Section 5.06 Redemption Payments. On or prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay the Series 2020B Certificates called for redemption, together with accrued interest thereon to the redemption date, and any required premium. Upon the giving of notice and the deposit of such funds as may be available for redemption pursuant to this Indenture (which, in certain cases as set forth above may be less than the full principal amount of the Outstanding Series 2020B Certificates and accrued interest thereon to the redemption date), interest on the Series 2020B Certificates or portions thereof thus called shall no longer accrue after the date fixed for redemption. Payments in full redemption shall be accompanied by a written designation prepared by the Trustee stating the portions of the payment representing principal, interest, and premium, if any.
ARTICLE 6
INVESTMENTS

Section 6.01 Investment of Moneys. The Trustee shall be entitled to assume that any investment, which at the time of purchase is a Permitted Investment, remains a Permitted Investment absent a receipt of written notice or information to the contrary. All moneys held as part of the Series 2020A Base Rentals Fund, the Series 2020A Costs of Execution and Delivery Fund, the Series 2020B Base Rentals Fund, the Series 2020B Costs of Execution and Delivery Fund, the Rebate Fund, or any other fund or account created hereunder (other than any defeasance escrow accounts) shall be deposited or invested and reinvested by the Trustee, at the written direction of the City, in Permitted Investments; provided, however, that the Trustee shall make no deposits or investments of any fund or account created hereunder which shall interfere with or prevent withdrawals for the purpose for which the moneys so deposited or invested were placed in trust hereunder or for payment of the Certificates at or before maturity or interest thereon as required hereunder. The Trustee may make any and all such deposits or investments through its own investment department or that of its affiliates or subsidiaries and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Deposits or investments shall at all times be a part of the fund or account from which the moneys used to acquire such deposits or investments shall have come, and all income and profits on such deposits or investments shall be credited to, and losses thereon shall be charged against, such fund or account. Any interest or other gain from the Series 2020B Base Rentals Fund or any other fund or account created hereunder related to the Series 2020B Certificates (except defeasance escrows) shall be deposited to the Rebate Fund to the extent required and permitted pursuant to Section 3.08 hereof. The Trustee shall sell and reduce to cash a sufficient amount of such deposits or investments whenever the cash balance in the Series 2020A Base Rentals Fund or Series 2020B Base Rentals Fund is insufficient to pay the principal of and interest on the Series 2020A Taxable Certificates or Series 2020B Certificates, respectively, when due, or whenever the cash balance in any fund or account created hereunder is insufficient to satisfy the purposes of such fund or account.

The Trustee hereby agrees to secure and retain the documentation with respect to investments of moneys in the funds and accounts created under this Indenture as required by and as described in the Tax Certificate.

The Trustee may rely upon the City’s written direction as to both the suitability and the legality of the directed investments, and shall have no liability or responsibility for any loss or for failure to maximize earnings resulting from any investment made in accordance with the provisions of this Article 6.

The Trustee may transfer investments from any Fund or Account to any other Fund or Account in lieu of cash when a transfer is required or permitted by the provisions of this Indenture.

If the Trustee is not provided written directions concerning investment of moneys held in the Funds, the Trustee shall invest in a money market fund available to the Trustee which qualifies as a Permitted Investment, provided such investment matures or are subject to redemption prior to the date such funds will be needed. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the City shall confirm that the investment transactions identified therein accurately reflect the investment directions of the City, unless the
City notifies the Trustee in writing to the contrary within thirty (30) days of the date of delivery of such statement.

It is specifically provided herein that the Trustee may purchase or invest in shares of any investment company provided that such investments are Permitted Investments at the time of such investment and that such investments: (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Trustee may provide advisory, administrative, custodial or other services for compensation); (ii) invests substantially all of its assets in short term high quality money market instruments, limited to obligations issued or guaranteed by the United States, or repurchase agreements backed by such obligations; and (iii) maintains a constant asset value per share.

The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments.

**Section 6.02 Method of Valuation and Frequency of Valuation.** In computing the amount in any fund or account (except defeasance escrows), Permitted Investments shall be valued at the market price, exclusive of accrued interest. With respect to all funds and accounts (except defeasance escrows, and except as otherwise provided in the Tax Certificate with respect to the Rebate Fund), valuation shall occur as of December 31 of each year.
ARTICLE 7
DEFEASANCE AND DISCHARGE OF CERTIFICATES

Section 7.01  Defeasance and Discharge.

(a) When the principal or redemption price (as the case may be) of, and interest on, all the Series 2020A Taxable Certificates, Additional Series 2020A Certificates, if any, Series 2020B Certificates and Additional Series 2020B Certificates, if any, executed and delivered hereunder have been paid or provision has been made for payment of the same (or, in the case of redemption of the Series 2020A Taxable Certificates pursuant to Section 4.03 of this Indenture, if full or partial payment of the Series 2020A Taxable Certificates and interest thereon is made as provided in Section 4.03 of this Indenture, and/or, in the case of redemption of the Series 2020B Certificates pursuant to Section 5.03 of this Indenture, if full or partial payment of the Series 2020B Certificates and interest thereon is made as provided in Section 5.03 of this Indenture), together with all other sums payable hereunder relating to the Series 2020A Taxable Certificates, Additional Series 2020A Certificates, if any, Series 2020B Certificates and Additional Series 2020B Certificates, if any (including the fees and expenses of the Trustee), then the right, title and interest of the Trustee in and to the Series 2020A Trust Estate and the Series 2020B Trust Estate, and all covenants, agreements and other obligations of the City to the Trustee and to the Series 2020A Owners and Series 2020B Owners shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall (1) release the Site Lease and transfer and convey the Trustee’s leasehold interest in the Leased Property to the City as provided by Article 13 of the Lease, (2) release the Lease and this Indenture, (3) execute such documents to evidence such releases and conveyances as may be reasonably required by the City, and (4) turn over to the City all balances then held by the Trustee in the Funds or Accounts hereunder except for amounts held the Rebate Fund and in any defeasance escrow accounts. If payment or provision therefor is made with respect to less than all of the Series 2020A Taxable Certificates, Additional Series 2020A Certificates, if any, Series 2020B Certificates and Additional Series 2020B Certificates, if any, the particular Certificates or any Additional Certificates (or portion thereof) for which provision for payment shall have been considered made shall be selected by the City.

(b) Provision for the payment of all or a portion of the Series 2020A Taxable Certificates and any Additional Series 2020A Certificates shall be deemed to have been made when the Trustee holds in the Series 2020A Base Rentals Fund, or there is on deposit in a separate escrow account or trust account held by a trust bank or escrow agent, either moneys in an amount which shall be sufficient, and/or Federal Securities, 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, concurrently deposited in trust, shall be sufficient to pay when due the principal of, premium, if any, and interest due and to become due on said Series 2020A Taxable Certificates or Additional Series 2020A Certificates on and prior to the redemption date or maturity date thereof, as the case may be. Provision for the payment of all or a portion of the Series 2020B Certificates and any Additional Series 2020B Certificates shall be deemed to have been made when the Trustee holds in the Series 2020B Base Rentals Fund, or there is on deposit in a separate escrow account or trust account held by a trust bank or escrow agent, either moneys in an amount which shall be sufficient, and/or Federal Securities, 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, concurrently deposited in trust, shall be sufficient to pay when due the principal of, premium, if
any, and interest due and to become due on said Series 2020B Certificates or Additional Series 2020B Certificates on and prior to the redemption date or maturity date thereof, as the case may be. Prior to any discharge of this Indenture pursuant to this Section or the defeasance of any Series 2020A Taxable Certificates, Additional Series 2020A Certificates, if any, Series 2020B Certificates and Additional Series 2020B Certificates, if any, pursuant to this Section becoming effective, there shall have been delivered to the Trustee and the Initial Purchaser a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the applicable Certificates or Additional Certificates in full on the maturity or redemption date thereof unless fully funded with cash.

(c) Neither the Federal Securities nor the moneys deposited in the Series 2020A Base Rentals Fund, Series 2020B Base Rentals Fund or separate escrow account or trust account pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be segregated and held in trust for, the payment of the principal of, premium, if any, and interest on the Series 2020A Taxable Certificates, Additional Series 2020A Certificates, if any, Series 2020B Certificates and Additional Series 2020B Certificates, if any, or portions thereof, respectively; provided, however, that other Federal Securities and moneys may be substituted for the Federal Securities and moneys so deposited prior to their use for such purpose.

(d) Whenever moneys or Federal Securities shall be deposited with the Trustee or a separate escrow agent for the payment or redemption of any Series 2020A Taxable Certificates or Series 2020B Certificates more than forty-five (45) days prior to the date that such Certificates are to mature or be redeemed, the Trustee shall mail a notice stating that such moneys or Federal Securities have been deposited and identifying the Series 2020A Taxable Certificates or Series 2020B Certificates for the payment of which such moneys or Federal Securities are being held, to all Series 2020A Owners of Series 2020A Taxable Certificates or all Series 2020B Owners of Series 2020B Certificates, as applicable, for the payment of which such moneys or Federal Securities are being held, or if such Certificates are registered in the name of the Initial Purchaser, such notice may be sent, in the alternative, by electronic means if so directed by the Initial Purchaser.

(e) At such time as any Certificate or Additional Certificate shall be deemed paid as provided in (b) above, such Certificate or Additional Certificate shall no longer be secured by or entitled to the benefits of this Indenture, the Lease or the Site Lease, except for the purpose of exchange and transfer and any payment from such cash or Federal Securities deposited with the Trustee.
ARTICLE 8
SERIES 2020A EVENTS OF INDENTURE DEFAULT AND REMEDIES

Section 8.01 Series 2020A Events of Indenture Default Defined. Each of the following shall be a Series 2020A Event of Indenture Default:

(a) failure to pay the principal of or premium, if any, on any Series 2020A Taxable Certificate when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption;

(b) failure to pay any installment of interest on any Series 2020A Taxable Certificate when the same shall become due and payable;

(c) the occurrence of an Event of Non-appropriation; or

(d) the occurrence of an Event of Lease Default.

Upon the occurrence of any Series 2020A Event of Indenture Default of which the Trustee is required to take notice or receive notice pursuant to Section 10.05, the Trustee shall give notice thereof to the Series 2020A Owners of the Series 2020A Taxable Certificates. The Trustee shall waive any Event of Non-appropriation which is cured by the City within thirty (30) days of the receipt of notice by the Trustee as provided by Section 7.4(b) of the Lease, by a duly effected Appropriation to pay all Series 2020A Base Rentals, and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term. The Trustee may, with the prior written consent of the Initial Purchaser, waive any Event of Non-appropriation which is cured by the City within a reasonable time with the procedure described in the preceding sentence.

Section 8.02 Remedies. If any Series 2020A Event of Indenture Default occurs and is continuing, the Trustee may, with the consent of the Initial Purchaser, or shall at the request of the Series 2020A Owners of a majority in aggregate principal amount of the Series 2020A Taxable Certificates then Outstanding and upon indemnification as provided in Section 10.01(d) hereof, without any further demand or notice, enforce for the benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates each and every right of the Trustee as the lessee under the Site Lease and the lessor under the Lease. In exercising such rights of the Trustee and the rights given the Trustee under this Article 8 and Article 10, the Trustee may, with the consent of the Initial Purchaser, or shall at the request of the Series 2020A Owners of a majority in aggregate principal amount of the Series 2020A Taxable Certificates then Outstanding and upon indemnification as provided in Section 10.01(d) hereof, take such action as, in the judgment of the Trustee, upon advice of its counsel, would best serve the interests of the Series 2020A Owners of the Series 2020A Taxable Certificates, including calling the Series 2020A Taxable Certificates for redemption prior to their maturity in the manner and subject to the provisions of Article 4 hereof and exercising the Lease Remedies provided in the Lease, provided however that such action shall not include consequential or punitive damages against the City.

Section 8.03 Legal Proceedings by Trustee. If any Series 2020A Event of Indenture Default has occurred and is continuing, the Trustee in its discretion may, with the consent of the Initial Purchaser, and upon the written request of the Series 2020A Owners of a majority in
aggregate principal amount of the Series 2020A Taxable Certificates Outstanding and receipt of indemnity to its satisfaction, shall, in its capacity as Trustee hereunder:

(a) By mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Series 2020A Owners of the Series 2020A Taxable Certificates, including enforcing any rights of the Trustee in respect of the Trustee’s leasehold interests in the Leased Property including its rights as lessor under the Lease and as lessee under the Site Lease and its rights under this Indenture and to enforce the provisions of this Indenture and any collateral rights hereunder for the benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates; or

(b) By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Series 2020A Owners of the Series 2020A Taxable Certificates; or

(c) Take any other action at law or in equity that may appear necessary or desirable to enforce the rights of the Series 2020A Owners of the Series 2020A Taxable Certificates.

Notwithstanding the foregoing provisions or any other provisions in the Site Lease, the Lease or this Indenture, the Trustee shall not take any remedial action under the Site Lease, the Lease or this Indenture, including without limitation this Section 8.03, without the prior written consent and direction of the Initial Purchaser. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in this Indenture.

Section 8.04 Discontinuance of Proceedings by Trustee. If any proceeding commenced by the Trustee on account of any Series 2020A Event of Indenture Default is discontinued or is determined adversely to the Trustee, then the Trustee and the Series 2020A Owners of the Series 2020A Taxable Certificates shall be restored to their former positions and rights hereunder as though no such proceeding had been commenced.

Section 8.05 Series 2020A Owners of Series 2020A Taxable Certificates May Direct Proceedings. The Initial Purchaser or the Series 2020A Owners of the Series 2020A Taxable Certificates of a majority in aggregate principal amount of Outstanding Series 2020A Taxable Certificates shall have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such direction shall not be in conflict with any rule of law or with this Indenture or unduly prejudice the rights of minority Series 2020A Owners of the Series 2020A Taxable Certificates.

Section 8.06 Limitations on Actions by Series 2020A Owners of Series 2020A Taxable Certificates. No Series 2020A Owners of the Series 2020A Taxable Certificates shall have any right to pursue any remedy hereunder unless:

(a) the Trustee shall have been given written notice of a default pursuant to Section 10.05, and such default becomes a Series 2020A Event of Indenture Default;

(b) the Series 2020A Owners of the Series 2020A Taxable Certificates of at least a majority in aggregate principal amount of all Outstanding Series 2020A Taxable Certificates shall have requested the Trustee, in writing, to exercise the powers hereinabove granted to or pursue such remedy in its or their name or names;
(c) the Trustee shall have been offered indemnity satisfactory to it as provided in Section 10.01(d) hereof; and

(d) the Trustee shall have failed to comply with such request within a reasonable time.

Notwithstanding the foregoing provisions of this Section or any other provision of this Indenture, the obligation of the Trustee shall be absolute and unconditional to pay hereunder, but solely from the Series 2020A Revenues pledged under this Indenture, the principal of, premium, if any, and interest on the Series 2020A Taxable Certificates to the respective Series 2020A Owners thereof on the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Series 2020A Owners to enforce such payment.

Section 8.07 Trustee May Enforce Rights Without Possession of Series 2020A Taxable Certificates. All rights under this Indenture and the Series 2020A Taxable Certificates may be enforced by the Trustee without the possession of any Series 2020A Taxable Certificates or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates.

Section 8.08 Remedies Not Exclusive. Subject to any express limitations contained herein, no remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.09 Delays and Omissions Not to Impair Rights. No delays or omissions in respect of exercising any right or power accruing upon any default shall impair such right or power or be a waiver of such default, and every remedy given by this Article 8 may be exercised from time to time and as often as may be deemed expedient.

Section 8.10 Application of Moneys in Series 2020A Event of Indenture Default. Any moneys received, collected or held by the Trustee following a Series 2020A Event of Indenture Default and any other moneys held as part of the Series 2020A Trust Estate shall be applied in the following order:

(a) To the payment of the reasonable costs and expenses of the proceedings resulting in the collection of such moneys and all fees, costs, expenses, liabilities and advances incurred or made by the Trustee, including, but not limited to, its Counsel fees, expenses and disbursements of the Trustee, and the payment of its reasonable compensation, including any amounts remaining unpaid;

(b) To the payment of interest then owing on the Series 2020A Taxable Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of interest ratably, without preference or priority of one Series 2020A Taxable Certificate over another or of any installment of interest over any other installment of interest; and

(c) To the payment of principal or redemption price (as the case may be) then owing on the Outstanding Series 2020A Taxable Certificates, and in case such moneys shall be
insufficient to pay the same in full, then to the payment of principal or redemption price ratably, without preference or priority of one Series 2020A Taxable Certificate over another.

The surplus, if any, shall be paid to the City.
ARTICLE 9

Section 9.01 Series 2020B Events of Indenture Default Defined. Each of the following shall be a Series 2020B Event of Indenture Default:

(a) failure to pay the principal of or premium, if any, on any Series 2020B Certificate when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption;

(b) failure to pay any installment of interest on any Series 2020B Certificate when the same shall become due and payable;

(c) the occurrence of an Event of Non-appropriation; or

(d) the occurrence of an Event of Lease Default.

Upon the occurrence of any Series 2020B Event of Indenture Default of which the Trustee is required to take notice or receive notice pursuant to Section 10.05, the Trustee shall give notice thereof to the Series 2020B Owners of the Series 2020B Certificates. The Trustee shall waive any Event of Non-appropriation which is cured by the City within thirty (30) days of the receipt of notice by the Trustee as provided by Section 7.4(b) of the Lease, by a duly effected Appropriation to pay all Series 2020B Base Rentals, and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term. The Trustee may, with the prior written consent of the Initial Purchaser, waive any Event of Non-appropriation which is cured by the City within a reasonable time with the procedure described in the preceding sentence.

Section 9.02 Remedies. If any Series 2020B Event of Indenture Default occurs and is continuing, the Trustee may, with the consent of the Initial Purchaser, or shall at the request of the Series 2020B Owners of a majority in aggregate principal amount of the Series 2020B Certificates then Outstanding and upon indemnification as provided in Section 10.01(d) hereof, without any further demand or notice, enforce for the benefit of the Series 2020B Owners of the Series 2020B Certificates each and every right of the Trustee as the lessee under the Site Lease and the lessor under the Lease. In exercising such rights of the Trustee and the rights given the Trustee under this Article 9 and Article 10, the Trustee may, with the consent of the Initial Purchaser, or shall at the request of the Series 2020B Owners of a majority in aggregate principal amount of the Series 2020B Certificates then Outstanding and upon indemnification as provided in Section 10.01(d) hereof, take such action as, in the judgment of the Trustee, upon advice of its counsel, would best serve the interests of the Series 2020B Owners of the Series 2020B Certificates, including calling the Series 2020B Certificates for redemption prior to their maturity in the manner and subject to the provisions of Article 5 hereof and exercising the Lease Remedies provided in the Lease, provided however that such action shall not include consequential or punitive damages against the City.

Section 9.03 Legal Proceedings by Trustee. If any Series 2020B Event of Indenture Default has occurred and is continuing, the Trustee in its discretion may, with the consent of the Initial Purchaser, and upon the written request of the Series 2020B Owners of a majority in aggregate principal amount of the Series 2020B Certificates Outstanding and receipt of indemnity to its satisfaction, shall, in its capacity as Trustee hereunder:
(a) By mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Series 2020B Owners of the Series 2020B Certificates, including enforcing any rights of the Trustee in respect of the Trustee’s leasehold interests in the Leased Property including its rights as lessor under the Lease and as lessee under the Site Lease and its rights under this Indenture and to enforce the provisions of this Indenture and any collateral rights hereunder for the benefit of the Series 2020B Owners of the Series 2020B Certificates; or

(b) By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Series 2020B Owners of the Series 2020B Certificates; or

(c) Take any other action at law or in equity that may appear necessary or desirable to enforce the rights of the Series 2020B Owners of the Series 2020B Certificates.

Notwithstanding the foregoing provisions or any other provisions in the Site Lease, the Lease or this Indenture, the Trustee shall not take any remedial action under the Site Lease, the Lease or this Indenture, including without limitation this Section 9.03, without the prior written consent and direction of the Initial Purchaser. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in this Indenture.

Section 9.04 Discontinuance of Proceedings by Trustee. If any proceeding commenced by the Trustee on account of any Series 2020B Event of Indenture Default is discontinued or is determined adversely to the Trustee, then the Trustee and the Series 2020B Owners of the Series 2020B Certificates shall be restored to their former positions and rights hereunder as though no such proceeding had been commenced.

Section 9.05 Series 2020B Owners of Series 2020B Certificates May Direct Proceedings. The Initial Purchaser or the Series 2020B Owners of the Series 2020B Certificates of a majority in aggregate principal amount of Outstanding Series 2020B Certificates shall have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such direction shall not be in conflict with any rule of law or with this Indenture or unduly prejudice the rights of minority Series 2020B Owners of the Series 2020B Certificates.

Section 9.06 Limitations on Actions by Series 2020B Owners of Series 2020B Certificates. No Series 2020B Owners of the Series 2020B Certificates shall have any right to pursue any remedy hereunder unless:

(a) the Trustee shall have been given written notice of a default pursuant to Section 10.05, and such default becomes a Series 2020B Event of Indenture Default;

(b) the Series 2020B Owners of the Series 2020B Certificates of at least a majority in aggregate principal amount of all Outstanding Series 2020B Certificates shall have requested the Trustee, in writing, to exercise the powers hereinabove granted to or pursue such remedy in its or their name or names;

(c) the Trustee shall have been offered indemnity satisfactory to it as provided in Section 10.01(d) hereof; and
(d) the Trustee shall have failed to comply with such request within a reasonable time.

Notwithstanding the foregoing provisions of this Section or any other provision of this Indenture, the obligation of the Trustee shall be absolute and unconditional to pay hereunder, but solely from the Series 2020B Revenues pledged under this Indenture, the principal of, premium, if any, and interest on the Series 2020B Certificates to the respective Series 2020B Owners thereof on the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Series 2020B Owners to enforce such payment.

**Section 9.07 Trustee May Enforce Rights Without Possession of Series 2020B Certificates.** All rights under this Indenture and the Series 2020B Certificates may be enforced by the Trustee without the possession of any Series 2020B Certificates or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Series 2020B Owners of the Series 2020B Certificates.

**Section 9.08 Remedies Not Exclusive.** Subject to any express limitations contained herein, no remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**Section 9.09 Delays and Omissions Not to Impair Rights.** No delays or omissions in respect of exercising any right or power accruing upon any default shall impair such right or power or be a waiver of such default, and every remedy given by this Article 9 may be exercised from time to time and as often as may be deemed expedient.

**Section 9.10 Application of Moneys in Series 2020B Event of Indenture Default.** Any moneys received, collected or held by the Trustee following a Series 2020B Event of Indenture Default and any other moneys held as part of the Series 2020B Trust Estate (except for moneys held in the Rebate Fund and any defeasance escrow account) shall be applied in the following order:

(a) To the payment of the reasonable costs and expenses of the proceedings resulting in the collection of such moneys and all fees, costs, expenses, liabilities and advances incurred or made by the Trustee, including, but not limited to, its Counsel fees, expenses and disbursements of the Trustee, and the payment of its reasonable compensation, including any amounts remaining unpaid;

(b) To the payment of interest then owing on the Series 2020B Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of interest ratably, without preference or priority of one Series 2020B Certificate over another or of any installment of interest over any other installment of interest; and

(c) To the payment of principal or redemption price (as the case may be) then owing on the Outstanding Series 2020B Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or redemption price ratably, without preference or priority of one Series 2020B Certificate over another.
The surplus, if any, shall be paid to the City.
ARTICLE 10
CONCERNING THE TRUSTEE

Section 10.01  Duties of the Trustee.

(a) The Trustee hereby accepts the provisions of the Site Lease, the Lease and this Indenture and accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but only upon and subject to the express terms and conditions set forth in the Site Lease, the Lease and this Indenture, and no implied covenants or obligations shall be read into the Site Lease, the Lease, and this Indenture against the Trustee.

(b) The Trustee hereby covenants for the benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates that the Trustee will observe and comply with its obligations under the Site Lease, the Lease and this Indenture.

(c) The Trustee shall at all times, to the extent permitted by law, defend, preserve and protect its interest in the Leased Property and the other property or property rights included in the Series 2020A Trust Estate and Series 2020B Trust Estate, and all the rights of the Series 2020A Owners and Series 2020B Owners under this Indenture against all claims and demands of all persons whomsoever.

(d) The Trustee, prior to the occurrence of a Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Lease and in this Indenture. If a Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and power vested in it by the Lease and this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in conducting such person’s affairs in exercising any rights or remedies or performing any of its duties hereunder. Before taking any action hereunder the Trustee may require that satisfactory indemnity be furnished to it by the Series 2020A Owners and Series 2020B Owners for the reimbursement of all costs and expenses (including without limitation attorney’s fees and expenses) which it may incur and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or resolution related to the protection of the environment or hazardous substances, except liability which is adjudicated to have resulted from its negligence or willful misconduct, by reason of any action so taken.

Section 10.02  Liability of Trustee; Trustee’s Use of Agents.

(a) The Trustee shall be liable only for its own negligence or willful misconduct. However, the Trustee shall not be liable for any error of judgment made in good faith, provided the Trustee was not negligent in ascertaining the pertinent facts.

(b) The Trustee may exercise any powers under this Indenture and perform any duties required of it through attorneys, receivers, agents, officers or employees, and shall be entitled to the advice or opinion of Counsel concerning all matters involving the Trustee’s duties hereunder,
and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may rely and act upon the opinion or advice of Counsel engaged by the Trustee in the exercise of reasonable care without liability for any loss or damage resulting from any action or omission taken in good faith reliance upon that opinion or advice.

(c) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct, and shall not be answerable for any negligent act of its attorneys, agents or receivers which have been selected by the Trustee with due care.

(d) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in possession of or managing the Leased Property.

(e) The Trustee shall not be liable for actions taken at the direction of Series 2020A Owners pursuant to the provisions of Article 8, or Series 2020B Owners pursuant to the provisions of Article 9.

(f) Any person hired by the Trustee to enforce Lease Remedies shall be considered the Trustee’s agent for the purposes of this Section.

(g) The Trustee shall not be responsible for any recital herein or in the Certificates (except in respect to the execution of the Certificates on behalf of the Trustee), or for the recording or rerecording, filing or refiling of the Site Lease, the Lease or this Indenture or of any supplements thereto or hereto or any financing statement (other than continuation statements) in connection therewith, or for insuring the project, or for collecting any insurance moneys, or for the sufficiency of the security for the Certificates issued hereunder or intended to be secured hereby, or for the value of or title to the Leased Property, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the City, except as provided herein; but the Trustee may require of the City full information and advice as to the performance of the covenants, conditions and agreements aforesaid. The Trustee shall have no obligation to perform any of the duties of the City under the Site Lease or the Lease; and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

(h) The Trustee makes no representations as to the value or condition of the Series 2020A Trust Estate or Series 2020B Trust Estate, or any part thereof (except for funds and investments held by the Trustee), or the validity or sufficiency of this Indenture or of the Certificates. The Trustee shall not be accountable for the use of any Certificates executed and delivered to the Initial Purchaser or the use of the proceeds of any Certificates executed and delivered hereunder, provided that the Trustee shall comply with the provisions of this Indenture related to the application of such proceeds that are deposited in the Series 2020A Base Rental Fund and Series 2020B Base Rentals Fund, and the requisition of such proceeds that are deposited in the Series 2020A Costs of Execution and Delivery Fund and Series 2020B Costs of Execution and Delivery Fund. The Trustee shall not be accountable for the use or application of any Certificates
or the proceeds thereof or of any money paid to or upon the order of the City under any provisions of this Indenture or the Lease.

(i) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely conclusively and be protected in acting or refraining from acting upon any resolution, a certificate, statement, opinion, report, or other paper or document signed on behalf of the City by the City Representative or such other person as may be designated for such purpose by ordinance or resolution of the City Council, as sufficient evidence of the facts therein contained, and before the occurrence of a default of which the Trustee has been notified as provided in Section 10.05 or of which by said subsection it is deemed to have been notified, the Trustee may conclusively rely upon a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(j) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law. The Trustee shall not be under any liability for interest on any moneys received hereunder except that the Trustee is responsible for investing moneys in funds held hereunder in compliance with the provisions of the Tax Certificate and complying with the written investment direction of the City.

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand in respect of the execution and delivery of any Certificates, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the City to the execution and delivery of any Certificates, the withdrawal of any cash, or the taking of any other action by the Trustee.

(m) Notwithstanding any other provision hereof, the Trustee shall not be required to advance any of its own funds in the performance of its obligations hereunder or any other documents related to this Indenture, but may if it has received assurances from the Series 2020A Owners and Series 2020B Owners or indemnity from the Series 2020A Owners and Series 2020B Owners satisfactory to it that it will be repaid. The Trustee shall not be required to give any bond or surety in respect to the execution of its trusts and powers hereunder.

(n) The Trustee is entering into the Site Lease and the Lease solely in its capacity as Trustee under this Indenture and all provisions of this Indenture relating to the rights, privileges, powers and protections of the Trustee shall apply with equal force and effect to all actions taken by the Trustee in connection with the Site Lease and the Lease.
(o) Notwithstanding any other provision of this Indenture to the contrary, any provision relating to the conduct of, intended to provide authority to act, right to payment of fees and expenses, protection, immunity, and indemnification to the Trustee, shall be interpreted to include any action of the Trustee, whether it is deemed to be in its capacity as trustee, registrar, or paying agent.

(p) The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Certificates except to the extent that such statement was provided by the Trustee or describes the Trustee’s duties under this Indenture.

(q) The Trustee is authorized and directed to enter into the Site Lease and the Lease, solely in its capacity as Trustee under this Indenture.

(r) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but shall not be required, to inspect any and all books, papers and records of the City pertaining to the Leased Property and the Certificates, and to take such memoranda from and in regard thereto as may be desired.

Section 10.03 Representations and Covenants of Trustee. The Trustee represents, warrants and covenants as follows:

(a) So long as no Series 2020A Event of Indenture Default has occurred and is then continuing or existing, except as specifically provided in the Site Lease or the Lease or as necessary to transfer the Series 2020A Trust Estate to a successor Trustee, the Trustee shall not pledge or assign the Trustee’s right, title and interest in and to (i) the Lease or the Site Lease, (ii) the Series 2020A Base Rentals, other Series 2020A Revenues and collateral, security interests and attendant rights and obligations which may be derived under the Lease or the Site Lease, and/or (iii) the Leased Property and any reversion therein or any of the Trustee’s other rights under the Lease or the Site Lease or assign, pledge, mortgage, encumber or grant a security interest in the Trustee’s right, title and interest in, to and under the Lease or the Site Lease or the Leased Property except for Permitted Encumbrances.

(b) So long as no Series 2020B Event of Indenture Default has occurred and is then continuing or existing, except as specifically provided in the Site Lease or the Lease or as necessary to transfer the Series 2020B Trust Estate to a successor Trustee, the Trustee shall not pledge or assign the Trustee’s right, title and interest in and to (i) the Lease or the Site Lease, (ii) the Series 2020B Base Rentals, other Series 2020B Revenues and collateral, security interests and attendant rights and obligations which may be derived under the Lease or the Site Lease, and/or (iii) the Leased Property and any reversion therein or any of the Trustee’s other rights under the Lease or the Site Lease or assign, pledge, mortgage, encumber or grant a security interest in the Trustee’s right, title and interest in, to and under the Lease or the Site Lease or the Leased Property except for Permitted Encumbrances.

(c) Neither the execution and delivery of the Lease and the Site Lease or this Indenture by the Trustee, nor the fulfillment of or compliance with the terms and conditions thereof and
hereof, nor the consummation of the transactions contemplated thereby or hereby conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee is bound, or constitutes a default under any of the foregoing.

(d) To the Trustee’s knowledge, there is no litigation or proceeding pending against the Trustee affecting the right of the Trustee to execute the Lease and the Site Lease or to execute this Indenture, and perform its obligations thereunder or hereunder, except such litigation or proceeding as has been disclosed in writing to the City on or prior to the date this Indenture is executed and delivered.

(e) The Trustee covenants and agrees to comply with any applicable requirements for the Trustee set forth in the Tax Certificate as directed by the City.

(f) The Trustee acknowledges and agrees that so long as the Initial Purchaser is the sole Owner of all the Outstanding Certificates, the Initial Purchaser shall have the right to direct the remedies to be taken by the Trustee hereunder and under the Site Lease and the Lease. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in this Indenture. The Trustee agrees that, so long as the Initial Purchaser is the sole Owner of all Outstanding Certificates, the Trustee shall promptly provide written notice of the occurrence of any Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default to the Initial Purchaser.

Section 10.04 Compensation. The Trustee shall be entitled to payment and reimbursement for its reasonable fees and expenses for its ordinary services rendered hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and all advances, agent and counsel fees and other ordinary expenses as and when the same become due and all expenses reasonably and necessarily made or incurred by the Trustee in connection with such services as and when the same become due, as provided in Section 7.2 of the Lease. Should it become necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable extraordinary costs and expenses in connection therewith; provided that if such extraordinary services or extraordinary costs and expenses are occasioned by negligence or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The rights of the Trustee to payments pursuant to this Section shall be superior to the rights of the Series 2020A Owners and Series 2020B Owners with respect to the Series 2020A Trust Estate and Series 2020B Trust Estate, respectively.

Section 10.05 Notice of Default; Right to Investigate. If a Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default occurs of which the Trustee is deemed to have notice pursuant to this Section, the Trustee shall, within thirty (30) days after it receives notice thereof, give written notice by first class mail to the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates of all Series 2020A Events of Indenture Default and Series 2020B Events of Indenture Default, respectively, known to the Trustee and send a copy of such notice to the City, unless such defaults have been remedied. The Trustee shall not be required to take notice or be deemed to have notice of any default unless it has actual knowledge thereof or has been notified in writing of such default.
by the City, with regard to a Series 2020A Event of Indenture Default, the Series 2020A Owners of at least 25% in aggregate principal amount of the Outstanding Series 2020A Taxable Certificates, and with regard to a Series 2020B Event of Indenture Default, the Series 2020B Owners of at least 25% in aggregate principal amount of the Outstanding Series 2020B Certificates. The Trustee may, however, at any time request the City to provide full information as to the performance of any covenant under the Lease; and, if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made an investigation into any matter related to the Site Lease, the Lease and the Leased Property.

Section 10.06 Obligation to Act on Defaults. If any Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default shall have occurred and be continuing of which the Trustee has actual knowledge or notice pursuant to Section 10.05, the Trustee shall exercise such of the rights and remedies vested in it by this Indenture and shall use the same degree of care in their exercise as a prudent person would exercise or use in the circumstances in the conduct of his or her own affairs in exercising any rights or remedies or performing any of its duties hereunder; provided, that if in the opinion of the Trustee such action may tend to involve expense or liability, it shall not be obligated to take such action unless it is furnished with indemnity satisfactory to it for the reimbursement of all costs and expenses (including, without limitation, attorney’s fees and expenses) to which it may be put and to protect it against all liability which may incur in or by reason of such action, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

Section 10.07 Reliance on Requisition, etc. The Trustee may conclusively rely and shall be fully protected from acting or refraining from acting upon any written requisition, resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of this Indenture; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates shall be conclusive and binding upon all future Series 2020A Owners or Series 2020B Owners of the same Certificate and upon any Certificates delivered in place thereof. The Trustee may rely conclusively on any such Certificate or other document and shall not be required to make any independent investigation in connection therewith.

The Trustee shall be entitled to rely upon opinions of Counsel and shall not be responsible for any loss or damage resulting from reliance in good faith thereon, except for its own negligence or willful misconduct.

Section 10.08 Trustee May Own Certificates. The Trustee, in its individual or any other capacity, may in good faith buy, sell, own and hold any of the Certificates and may join in any action which any Series 2020A Owner or Series 2020B Owner may be entitled to take with like effect as if the Trustee were not the party to this Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the City provided that if the Trustee
determines that any such relation is in conflict with its duties under this Indenture, it shall eliminate the conflict or resign as Trustee.

**Section 10.09 Construction of Ambiguous Provisions.** The Trustee may construe any ambiguous or inconsistent provisions of this Indenture, and any such construction by the Trustee shall be binding upon the Series 2020A Owners and Series 2020B Owners. In construing any such provision, the Trustee will be entitled to rely upon opinions of Counsel and will not be responsible for any loss or damage resulting from reliance in good faith thereon, except for its own negligence or willful misconduct.

**Section 10.10 Resignation of Trustee.** The Trustee may resign and be discharged of the trusts created by this Indenture by written resignation filed with the City and the Initial Purchaser not less than sixty (60) days before the date when it is to take effect; provided notice of such resignation is sent by electronic means or mailed by registered or certified mail to the Series 2020A Owner of each Outstanding Series 2020A Taxable Certificate and the Series 2020B Owner of each Outstanding Series 2020B Certificate at the address shown on the registration books. Such resignation shall take effect only upon the appointment of a successor Trustee. If no successor Trustee is appointed within sixty (60) days following the date designated for the resignation of the Trustee, the resigning Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee. The rights of the Trustee to be held harmless, to insurance proceeds, or to other amounts due arising prior to the date of such resignation shall survive resignation.

**Section 10.11 Removal of Trustee.** Any Trustee hereunder may be removed at any time, after payment of all outstanding fees and expenses of the Trustee being so removed, by the City or by the Series 2020A Owners and Series 2020B Owners of a majority in aggregate principal amount of the Certificates then Outstanding, upon written notice being filed with the Trustee, the City, the Series 2020A Owner of each Outstanding Series 2020A Taxable Certificate at the address shown on the registration books, and the Series 2020B Owner of each Outstanding Series 2020B Certificate at the address shown on the registration books. Such removal shall take effect only upon the appointment of a successor Trustee. The rights of the Trustee to be held harmless, to insurance proceeds or to other amounts due arising prior to the date of such removal shall survive removal.

**Section 10.12 Appointment of Successor Trustee.** If the Trustee or any successor trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the City shall appoint a successor, and shall cause a notice of such appointment to be mailed by registered or certified mail to the Series 2020A Owner of each Outstanding Series 2020A Taxable Certificate at the address shown on the registration books, and the Series 2020B Owner of each Outstanding Series 2020B Certificate at the address shown on the registration books. If the City fails to make such appointment within thirty (30) days after the date notice of resignation is filed, the City shall appoint a successor, and shall cause a notice of such appointment to be mailed by registered or certified mail to the Series 2020A Owner of each Outstanding Series 2020A Taxable Certificate at the address shown on the registration books, and the Series 2020B Owner of each Outstanding Series 2020B Certificate at the address shown on the registration books. If the City fails to make such appointment within thirty (30) days after the date notice of resignation is filed, the Trustee may petition a court of competent jurisdiction to make such appointment.
Section 10.13 Qualification of Successor. Any successor trustee shall be a national or State bank with trust powers or a bank and trust company or a trust company, in each case having capital and surplus of at least $50,000,000, if there be one able and willing to accept the trust on reasonable and customary terms.

Section 10.14 Instruments of Succession. Any successor trustee shall execute, acknowledge and deliver to the City an instrument accepting such appointment under this Indenture; and thereupon such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust under this Indenture, with like effect as if originally named Trustee herein and thereupon the duties and obligations of the predecessor shall cease and terminate. The Trustee ceasing to act under this Indenture shall, upon the payment of the fees and expenses owed to the predecessor Trustee, pay over to the successor trustee all moneys held by it under this Indenture; and, upon request of the successor trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to the successor trustee all the estates, properties, rights, powers and trusts under this Indenture of the Trustee ceasing to act.

Section 10.15 Merger of Trustee. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any sale, merger or consolidation of its corporate trust business to which any Trustee hereunder shall be a party, shall be the successor trustee under this Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 10.16 Intervention by Trustee. In any judicial proceeding to which the Trustee or the City is a party and which, in the opinion of the Trustee and its Counsel, has a substantial bearing on the interests of Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates, the Trustee may intervene on behalf of the Series 2020A Owners and Series 2020B Owners and shall do so if requested in writing by the Initial Purchaser or the Series 2020A Owners and Series 2020B Owners of at least a majority in aggregate principal amount of Outstanding Certificates and upon being furnished satisfactory indemnity. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 10.17 Books and Record of the Trustee; Trustee Record Keeping. The Trustee shall keep such books and records relating to the Site Lease and the Lease and Funds and Accounts created under this Indenture as shall be consistent with industry practice and make such books and records available for inspection by the City, at all reasonable times and for six years following the discharge of this Indenture according to Article 7 hereof.

Section 10.18 Environmental Matters. Any real property or interest in real property constituting any portion of the Series 2020A Trust Estate or Series 2020B Trust Estate shall be subject to the following provisions:

(a) The Trustee’s responsibilities for any interest in real property constituting any portion of the Series 2020A Trust Estate prior to a Series 2020A Event of Indenture Default, or Series 2020B Trust Estate prior to a Series 2020B Event of Indenture Default, shall be performed
as Trustee on behalf of the Series 2020A Owners of the Series 2020A Taxable Certificates and Series 2020B Owners of the Series 2020B Certificates, respectively, without any duty to monitor or investigate whether the real property constituting any portion of the Series 2020A Trust Estate or Series 2020B Trust Estate complies with environmental laws or is subject to any Hazardous Substance.

(b) Following a Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default, if the Trustee determines that the release, threatened release, use, generation, treatment, storage or disposal of any Hazardous Substance on, under or about real property constituting any portion of the Series 2020A Trust Estate or Series 2020B Trust Estate gives rise to any liability or potential liability under any federal, State, local or common law, or devalues or threatens to devalue such real property, the Trustee may take whatever action is deemed necessary by the Trustee to address the threatened or actual releases of Hazardous Substances, or to bring about or maintain such real property’s compliance with federal, State or local environmental laws and regulations.

(c) The Trustee shall inform the Initial Purchaser and may inform any other Series 2020A Owners of the Series 2020A Taxable Certificates and Series 2020B Owners of the Series 2020B Certificates, of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and, in such event no fiduciary duty exists which imposes any obligation for further action with respect to the Series 2020A Trust Estate or Series 2020B Trust Estate, or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.
ARTICLE 11
SUPPLEMENTAL INDENTURES AND
AMENDMENTS OF THE LEASE AND SITE LEASE

Section 11.01 Supplemental Indentures and Amendments Not Requiring Certificate Owners’ Consent. The Trustee may, with the written consent of the City and upon written notice to the Initial Purchaser, but without the consent of the Initial Purchaser or any other Series 2020A Owners or Series 2020B Owners, enter into such indentures or agreements supplemental hereto, for any one or more or all of the following purposes:

(a) to grant additional powers or rights to the Trustee;

(b) in order to preserve or protect the excludability from gross income for federal income tax purposes of the interest portion of the Series 2020B Base Rentals allocable to the Series 2020B Certificates;

(c) to authorize the execution and delivery of Additional Series 2020A Certificates for the purposes and under the conditions set forth in Section 2.08 hereof;

(d) to authorize the execution and delivery of Additional Series 2020B Certificates for the purposes and under the conditions set forth in Section 2.09 hereof; or

(e) for any purpose not inconsistent with the terms of this Indenture or to cure any ambiguity, or to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions contained herein or to make such other amendments to this Indenture which do not materially adversely affect the interests of the Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates.

Section 11.02 Supplemental Indentures and Amendments Requiring Certificate Owners’ Consent.

(a) Exclusive of supplemental indentures and amendments covered by Section 11.01 hereof, the written consent of the City and the consent of the Initial Purchaser or the Series 2020A Owners and Series 2020B Owners of a majority in aggregate principal amount of the Certificates then Outstanding, shall be required for any amendments or indentures supplemental hereto.

(b) Notwithstanding the foregoing, without the consent of the Series 2020A Owners and Series 2020B Owners of all of the Certificates at the time Outstanding nothing herein contained shall permit, or be construed as permitting:

(i) A change in the terms of redemption or maturity of the principal amount of or the interest on any Outstanding Series 2020A Taxable Certificate or Outstanding Series 2020B Certificate, or a reduction in the principal amount of or premium payable upon any redemption of any Outstanding Series 2020A Taxable Certificate or Outstanding Series 2020B Certificate, or the rate of interest thereon, without the consent of the Series 2020A Owner or Series 2020B Owner of such Certificate;
(ii) The deprivation of the Series 2020A Owner or Series 2020B Owner of any Certificate then Outstanding of the interest created by this Indenture (other than as originally permitted hereby) without the consent of the Series 2020A Owner or Series 2020B Owner of such Certificate;

(iii) A privilege or priority of any Certificate or Certificates over any other Certificate or Certificates (except with respect to the possible subordination of Additional Series 2020A Certificates or Additional Series 2020B Certificates); or

(iv) A reduction in the aggregate principal amount of the Certificates required for consent to such supplemental indenture.

If at any time the City shall request the Trustee to enter into a supplemental indenture which requires the consent of the Series 2020A Owners or Series 2020B Owners as provided herein, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed to the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates at the addresses last shown on the registration records of the Trustee. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Series 2020A Owners and Series 2020B Owners. If, within 60 days or such longer period as shall be prescribed by the City following the mailing of such notice, the required consents have been furnished to the Trustee as herein provided, no Series 2020A Owner or Series 2020B Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee from executing the same or from taking any action pursuant to the provisions thereof.

Section 11.03 Amendment of the Lease and the Site Lease.

(a) Except as otherwise provided in the Lease and the Site Lease, the Trustee and the City shall have the right to amend the Lease and the Site Lease without the consent of or notice to the Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates, for one or more of the following purposes:

(i) to add covenants of the Trustee or the City or to grant additional powers or rights to the Trustee;

(ii) in order to more precisely identify the Leased Property, including any substitutions, additions or modifications to the Leased Property as the case may be, as may be authorized under the Site Lease and the Lease;

(iii) to make additions to the Leased Property, amend the schedule of Base Rentals and make all other amendments necessary for the execution and delivery of Additional Series 2020A Certificates in accordance with Section 2.08 hereof or Additional Series 2020B Certificates in accordance with Section 2.09 hereof;

(iv) to amend the schedule Base Rentals upon a partial optional redemption of the Series 2020A Taxable Certificates;
(v) to amend the schedule of Base Rentals upon a partial optional redemption of the Series 2020B Certificates;

(vi) in order to preserve or protect the excludability from gross income for federal income tax purposes of the interest portion of the Series 2020B Base Rentals allocable to the Series 2020B Certificates; or

(vi) for any purpose not inconsistent with the terms of this Indenture or to cure any ambiguity or to correct or supplement any provision contained therein or in any amendment thereto which may be defective or inconsistent with any other provision contained therein or herein or in any amendment thereto or to make such other amendments to the Lease or the Site Lease which do not materially adversely affect the interests of the Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates.

(b) If the City proposes to amend the Lease or the Site Lease in such a way as would materially adversely affect the interests of the Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates, the Trustee shall notify the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates of the proposed amendment and may consent thereto only with the consent of the Series 2020A Owners and Series 2020B Owners of a majority in aggregate principal amount of the Outstanding Certificates; provided, that the Trustee shall not, without the unanimous consent of the Series 2020A Owners and the Series 2020B Owners of all Certificates Outstanding, consent to any amendment which would (1) decrease the amounts payable in respect of the Lease, or (2) change the Base Rentals Payment Dates or (3) change any of the prepayment provisions of the Lease.
ARTICLE 12
MISCELLANEOUS

Section 12.01 Evidence of Signature of Series 2020A Owners, Series 2020B Owners and Ownership of Certificates. Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Series 2020A Owners or Series 2020B Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Series 2020A Owners and Series 2020B Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Certificates shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Series 2020A Owners or Series 2020B Owners or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public.

(b) The fact of the owning by any person of Certificates and the amounts and numbers of such Certificates, and the date of the owning of the same, may be proved by a certificate executed by any trust company, bank or bankers, wherever situated, stating that at the date thereof the party named therein did exhibit to an officer of such trust company or bank or to such bankers, as the property of such party, the Certificates therein mentioned, if such certificate shall be deemed by the Trustee to be satisfactory. The Trustee may, in its discretion, require evidence that such Certificates have been deposited with a bank, bankers or trust company before taking any action based on such ownership. In lieu of the foregoing the Trustee may accept other proofs of the foregoing as it shall deem appropriate.

Any request or consent of the Series 2020A Owners or Series 2020B Owners of any Certificate shall be conclusive upon and shall bind all future owners of such Certificate and of any Certificate issued upon the transfer or exchange of such Certificate in respect of anything done or suffered to be done by the City, the Trustee in accordance therewith, whether or not notation of such consent or request is made upon any such Certificate.

Section 12.02 Inspection of the Leased Property. Under the Lease, the Trustee and its duly authorized agents (a) have the right, but not the duty, on reasonable notice to the City, at all reasonable times, to examine and inspect the Leased Property (subject to such regulations as may be imposed by the City for security purposes) and (b) are permitted, but have no obligation, at all reasonable times, to examine the books, records, reports and other papers of the City with respect to the Leased Property.

Section 12.03 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the City, the Trustee, the Series 2020A Owners and the Series 2020B Owners any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation of this Indenture; and all the covenants, stipulations, promises and agreements in this Indenture contained
by and on behalf of the Trustee shall be for the sole and exclusive benefit of the City, the Trustee, the Series 2020A Owners and the Series 2020B Owners.

Section 12.04 **Titles, Headings, Etc.** The titles and headings of the articles, sections and subdivisions of this Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions of this Indenture.

Section 12.05 **Severability.** In the event any provision of this Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Indenture.

Section 12.06 **Governing Law.** This Indenture shall be governed and construed in accordance with the laws of the State of Colorado without regard to choice of law analysis.

Section 12.07 **Execution in Counterparts.** This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.08 **Notices.** All notices, certificates or other communications to be given hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, addressed as follows:

if to the Trustee, U.S. Bank National Association  
950 17th Street, Suite 300  
Denver, Colorado 80226  
Attention: Corporate Trust Department

if to the City, City of Lakewood, Colorado  
480 S. Allison Parkway  
Lakewood, Colorado 80226  
Attention: Chief Financial Officer

if to the Initial Purchaser, FirstBank  
12345 West Colfax Avenue  
Lakewood, Colorado 80215  
Attention: [ ]

The City, the Trustee and the Initial Purchaser may, by written notice, designate any further or different means of communication or addresses to which subsequent notices, certificates or other communications shall be sent.

Notices to be given to the Series 2020A Owners of the Series 2020A Taxable Certificates and Series 2020B Owners of the Series 2020B Certificates if other than the Initial Purchaser, shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, addressed to the addresses show in the registration books maintained by the Trustee.
Section 12.09  Consent and Notice to the Initial Purchaser. Any provision herein requiring the specific consent of or notice to the Initial Purchaser, or giving the Initial Purchaser any directive right hereunder, shall be applicable only so long as the Initial Purchaser is the sole Series 2020A Owner and Series 2020B Owner of all Outstanding Certificates. Any consent required of the Initial Purchaser shall not be unreasonably withheld, conditioned or delayed, unless specifically provided otherwise herein. This Section 12.09 shall not be construed to deprive the Initial Purchaser of any notice or right to consent or a directive as one of the Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates where the consent of, notice to or directive of the Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates in general is required herein.

Section 12.10  Successors and Assigns. All covenants, promises and agreements in this Indenture contained by or on behalf of the Trustee shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

Section 12.11  Payments Due on Saturdays, Sundays and Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Indenture, shall be a day other than a Business Day such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture.

Section 12.12  Electronic Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.
IN WITNESS WHEREOF, the Trustee has caused this Indenture to be executed as of the date first above written.

U.S. Bank National Association, as Trustee

By: _________________________________
    Senior Vice President
EXHIBIT A
FORM OF SERIES 2020A TAXABLE CERTIFICATE

THIS SERIES 2020A TAXABLE CERTIFICATE MAY ONLY BE TRANSFERRED BY THE REGISTERED SERIES 2020A OWNER HEREOF SOLELY TO (A) AN AFFILIATE OF THE INITIAL PURCHASER, (B) A TRUST OR OTHER CUSTODIAL ARRANGEMENT ESTABLISHED BY THE INITIAL PURCHASER OR ONE OF ITS AFFILIATES, THE SERIES 2020A OWNERS OF ANY BENEFICIAL INTERESTS IN WHICH ARE LIMITED TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (C) A QUALIFIED INSTITUTIONAL BUYER WHICH HAS EXECUTED A LETTER CONTAINING REPRESENTATIONS AND WARRANTIES AS TO IT BEING A SOPHISTICATED INVESTOR. IN ADDITION, ANY TRANSFER OF THIS SERIES 2020A TAXABLE CERTIFICATE MUST BE IN COMPLIANCE WITH THE SECURITIES LAWS OF THE UNITED STATES OF AMERICA; PROVIDED, HOWEVER, THAT THE TRUSTEE SHALL HAVE NO DUTY TO DETERMINE WHETHER ANY REQUESTED TRANSFER IS IN COMPLIANCE WITH ANY SUCH APPLICABLE SECURITIES LAWS.

CERTIFICATE OF PARTICIPATION
SERIES 2020A

Evidencing Proportionate Interests in the Series 2020A Base Rentals and other Series 2020A Revenues under an annually renewable Lease Purchase Agreement dated as of September 1, 2020, between U.S. Bank National Association, solely in its capacity as trustee under the Indenture, as lessor, and the City of Lakewood, Colorado, as lessee

No. R-1 $[1,300,000]

<table>
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<th>Interest Rate</th>
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<td>1.95%</td>
<td>June 1, 2026</td>
<td>September 1, 2020</td>
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Registered Series 2020A Owner:

Principal Amount: ONE MILLION THREE HUNDRED THOUSAND DOLLARS

THIS CERTIFIES THAT the Registered Series 2020A Owner (specified above), or registered assigns, as the Registered Series 2020A Owner (the “Series 2020A Owner”) of this Certificate of Participation, Series 2020A (this “Series 2020A Taxable Certificate”), is the Series 2020A Owner of a proportionate interest in the right to receive certain designated Series 2020A Revenues, including Series 2020A Base Rentals, under and as defined in the Lease Purchase Agreement (the “Lease”) dated as of September 1, 2020, between U.S. Bank National Association, Denver, Colorado, as Trustee (the “Trustee”), as lessor, and the City of Lakewood, Colorado (the “City”), as lessee. This Series 2020A Taxable Certificate is secured as provided in the Lease and the Indenture of Trust (the “Indenture”) dated as of September 1, 2020, by the Trustee. All terms capitalized but not defined herein shall have the meanings given to them in the Indenture.
This Series 2020A Taxable Certificate bears interest, matures, is payable, is subject to redemption, and is transferable as provided in the Indenture.

Under the Site Lease, certain Leased Property described therein (the “Leased Property”) has been leased by the City, as lessor, to the Trustee, as lessee. Under the Lease, the Leased Property has been leased back by the Trustee, as lessor, to the City, as lessee, and the City has agreed to pay directly to the Trustee certain Series 2020A Base Rentals in consideration of the City’s right to possess and use the Leased Property. Certain Series 2020A Revenues, including Series 2020A Base Rentals, are required under the Indenture to be distributed by the Trustee for the payment of the Series 2020A Taxable Certificates and interest thereon. The Lease is subject to annual appropriation, non-renewal and, in turn, termination by the City.

This Series 2020A Taxable Certificate has been executed and delivered pursuant to the terms of the Indenture. Reference is hereby made to the Site Lease, the Lease and the Indenture (copies of which are on file in the offices of the Trustee) for a description of the terms on which the Series 2020A Taxable Certificates are delivered, and the rights thereunder of the Series 2020A Owners of the Series 2020A Taxable Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the City under the Site Lease and the Lease, to all of the provisions of which Site Lease, Lease and Indenture the Series 2020A Owner of this Series 2020A Taxable Certificate, by acceptance hereof, assents and agrees.

This Series 2020A Taxable Certificate is executed and delivered under the authority of Part 2 of Article 57, Title 11, Colorado Revised Statutes (the “Supplemental Act”). Pursuant to Section 11-57-210 of the Supplemental Act, such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Series 2020A Taxable Certificate after its delivery for value.


<table>
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<tr>
<th>Date</th>
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<td>June 1, 2022</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$1,300,000</strong></td>
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*Maturity.
Notwithstanding any provisions to the contrary contained herein, so long as the Initial Purchaser is the sole Series 2020A Owner of all Outstanding Series 2020A Taxable Certificates, the Initial Purchaser shall not be required to surrender this Series 2020A Taxable Certificate to the Trustee to receive payment in connection with principal installments, but shall be required to surrender this Series 2020A Taxable Certificate only on the final Maturity Date of redemption date, if any, to receive payment of the final principal payment hereof.

The interest hereon is payable at the interest rate from the Dated Date (specified above) on June 1 and December 1 of each year, beginning December 1, 2020 (the “Interest Payment Dates”) and thereafter (A) from the Execution Date (specified below), if this Series 2020A Taxable Certificate is executed on an Interest Payment Date or (B) from the last preceding Interest Payment Date to which interest has been paid in all other cases, until the Principal Amount is paid as set forth herein. Interest is to be calculated on the basis of a 360-day year consisting of twelve 30-day months.


The principal of, premium, if any, and interest on all Series 2020A Taxable Certificates shall be payable to the Series 2020A Owner thereof at its address last appearing on the registration books maintained by the Trustee. Notwithstanding the foregoing, so long as the Initial Purchaser is the sole owner of the Outstanding Series 2020A Taxable Certificates, the installments of principal and interest on the Series 2020A Taxable Certificates shall be payable, without presentment, by wire transfer of funds to a bank account designated by the Initial Purchaser in written instructions to the Trustee.

Extraordinary Mandatory Redemption. If the Lease is terminated by reason of the occurrence of (a) an Event of Non-appropriation, or (b) an Event of Lease Default, or (c) the Trustee, at the direction of the City, fails to repair or replace the Leased Property if: (1) the Leased Property is damaged or destroyed in whole or in part by fire or other casualty; (2) title to, or the temporary or permanent use of, the Leased Property, or any portion thereof, has been taken by eminent domain by any governmental body; (3) breach of warranty or any material defect with respect to the Leased Property becomes apparent; or (4) title to or the use of all or any portion of the Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds (as defined in the Lease) of any insurance, performance bond or condemnation award, or Net Proceeds received as a consequence of defaults under contracts relating to the Leased Property, made
available by reason of such occurrences, are insufficient to pay in full, the cost of repairing or replacing the Leased Property and the City does not appropriate sufficient funds for such purpose or cause the Lease to be amended in order that Additional Series 2020A Certificates or Additional Series 2020B Certificates may be executed and delivered pursuant to the Indenture for such purpose, the Series 2020A Taxable Certificates are required to be called for redemption. If called for redemption, as described herein, the Series 2020A Taxable Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds as described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the Lease, otherwise received and other moneys then available under the Indenture are insufficient to pay in full the principal of and accrued interest on all Outstanding Series 2020A Taxable Certificates and Series 2020B Certificates, the Trustee may, with the consent of the Initial Purchaser, or at the request of the Series 2020A Owners and Series 2020B Owners of a majority in aggregate principal amount of the Certificates Outstanding, and upon indemnification as to costs and expenses as provided in the Indenture, without any further demand or notice, is to exercise all or any combination of Lease Remedies as provided in the Lease and the Series 2020A Taxable Certificates and Series 2020B Certificates are to be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, on hand and being held by the Trustee for the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem the Series 2020A Taxable Certificates and Series 2020B Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys shall be allocated proportionately among the Series 2020A Taxable Certificates and Series 2020B Certificates, according to the principal amount thereof Outstanding. In the event that such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are in excess of the amount required to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such excess moneys shall be paid to the City as an overpayment of the Purchase Option Price. Prior to any distribution of the Net Proceeds resulting from the exercise of any of such remedies, the Trustee shall be entitled to payment of its reasonable and customary fees for all services rendered in connection with such disposition, as well as reimbursement for all reasonable costs and expenses, including attorneys’ fees, incurred thereby, from proceeds resulting from the exercise of such Lease Remedies and other moneys.

IF THE SERIES 2020A TAXABLE CERTIFICATES ARE REDEEMED FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT IS DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE SERIES 2020A TAXABLE CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO SERIES 2020A OWNER OF SUCH SERIES 2020A TAXABLE CERTIFICATES, INCLUDING THIS SERIES 2020A TAXABLE CERTIFICATE, SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE CITY.
Notwithstanding the foregoing or any other provisions to the contrary in the Lease or the Indenture, so long as the Initial Purchaser is the sole Series 2020A Owner of the Series 2020A Taxable Certificates, the Series 2020A Taxable Certificates shall not be subject to extraordinary mandatory redemption under Section 4.03 of the Indenture and the Trustee may not apply any Net Proceeds or other available moneys to the redemption of the Series 2020A Taxable Certificates prior to their maturity date or mandatory sinking fund redemption dates without the prior written consent of the Initial Purchaser. In the absence of such consent, the Trustee shall apply the Net Proceeds to the payment of the principal of and interest on the Series 2020A Taxable Certificates on the regularly scheduled maturity date thereof, mandatory sinking fund redemption dates thereof, and interest payment dates of the Series 2020A Taxable Certificates.

Additional Series 2020A Certificates may be executed and delivered pursuant to the Indenture upon the satisfaction of certain conditions and limitations. Any such Additional Series 2020A Certificates would evidence interests in rights to receive Series 2020A Revenues, including Series 2020A Base Rentals, without preference, priority or distinction of any Series 2020A Taxable Certificates, including the Additional Series 2020A Certificates, over any others, however, insurance, a reserve fund and other credit facilities may be applicable only to particular series of Series 2020A Taxable Certificates or portions thereof.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture may be amended by the Trustee with the written consent of the Series 2020A Owners of a majority in aggregate principal amount of the Series 2020A Taxable Certificates outstanding, and may be amended without such consent under certain circumstances described in the Indenture but in no event such that the interests of the Series 2020A Owners of the Series 2020A Taxable Certificates are materially adversely affected, provided that no such amendment is to impair the right of any Series 2020A Owner to receive in any case such Series 2020A Owner’s proportionate share of any payment of Series 2020A Revenues in accordance with the terms of such Series 2020A Owner’s Series 2020A Taxable Certificate.

This Series 2020A Taxable Certificate is executed with the intent that the laws of the State of Colorado shall govern its legality, validity, enforceability and construction. The City has determined that this Series 2020A Taxable Certificate is authorized and issued under the authority of and in full conformity with the Constitution of the State of Colorado and all other laws of the State of Colorado thereunto enabling.

This Series 2020A Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Lease or the Indenture, until executed by the Trustee.

The Trustee has executed this Series 2020A Taxable Certificate solely in its capacity as Trustee under the Indenture and not in its individual or personal capacity. The Trustee is not liable for the obligations evidenced by the Series 2020A Taxable Certificates except from amounts held by it in its capacity as Trustee under the Indenture.
IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all things, conditions and acts required by the Constitution and the statutes of the State and the Indenture to exist, to have happened and to have been performed precedent to and the execution and delivery of this Series 2020A Taxable Certificate, do exist, have happened and have been performed in due time, form and manner, as required by law.

IN WITNESS WHEREOF, this Series 2020A Taxable Certificate has been executed with the manual signature of an authorized representative of the Trustee.

Execution Date: September 1, 2020

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: __________________________________________
   Senior Vice President
(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto ______________________________________________ the within Series 2020A Taxable Certificate and hereby irrevocably constitutes and appoints ____________ Attorney, to transfer the within Series 2020A Taxable Certificate on the books kept for registration thereof, with full power of substitution in the premises.

______________________________________________
Signature

Dated: __________________________

Signature Guaranteed:

Signature must be guaranteed by a member of a Medallion Signature Program

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 certificate in every particular, without alteration or enlargement or any change whatsoever.

(End Form of Assignment)
(Form of Prepayment Panel)

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Series 2020A Taxable Certificate have been paid or prepaid in accordance with the terms of the Indenture authorizing the issuance of this Series 2020A Taxable Certificate.

<table>
<thead>
<tr>
<th>Series 2020A Taxable Certificate</th>
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<tr>
<td>Date of Prepayment</td>
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</table>

(End of Form of Prepayment Panel)

(End Form of Certificates)
EXHIBIT B

FORM OF SERIES 2020B CERTIFICATE

THIS SERIES 2020B CERTIFICATE MAY ONLY BE TRANSFERRED BY THE REGISTERED SERIES 2020B OWNER HEREOF SOLELY TO (A) AN AFFILIATE OF THE INITIAL PURCHASER, (B) A TRUST OR OTHER CUSTODIAL ARRANGEMENT ESTABLISHED BY THE INITIAL PURCHASER OR ONE OF ITS AFFILIATES, THE SERIES 2020B OWNERS OF ANY BENEFICIAL INTERESTS IN WHICH ARE LIMITED TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (C) A QUALIFIED INSTITUTIONAL BUYER WHICH HAS EXECUTED A LETTER CONTAINING REPRESENTATIONS AND WARRANTIES AS TO IT BEING A SOPHISTICATED INVESTOR. IN ADDITION, ANY TRANSFER OF THIS SERIES 2020B CERTIFICATE MUST BE IN COMPLIANCE WITH THE SECURITIES LAWS OF THE UNITED STATES OF AMERICA; PROVIDED, HOWEVER, THAT THE TRUSTEE SHALL HAVE NO DUTY TO DETERMINE WHETHER ANY REQUESTED TRANSFER IS IN COMPLIANCE WITH ANY SUCH APPLICABLE SECURITIES LAWS.

CERTIFICATE OF PARTICIPATION
SERIES 2020B

Evidencing Proportionate Interests in the Series 2020B Base Rentals and other Series 2020B Revenues under an annually renewable Lease Purchase Agreement dated as of September 1, 2020, between U.S. Bank National Association, solely in its capacity as trustee under the Indenture, as lessor, and the City of Lakewood, Colorado, as lessee

No. R-2 $[4,555,000]

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Dated Date</th>
</tr>
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<tbody>
<tr>
<td>2.15%</td>
<td>June 1, 2039</td>
<td>September 1, 2020</td>
</tr>
</tbody>
</table>

Registered Series 2020B Owner:

Principal Amount: FOUR MILLION FIVE HUNDRED FIFTY-FIVE THOUSAND DOLLARS

THIS CERTIFIES THAT the Registered Series 2020B Owner (specified above), or registered assigns, as the Registered Series 2020B Owner (the “Series 2020B Owner”) of this Certificate of Participation, Series 2020B (this “Series 2020B Certificate”), is the Series 2020B Owner of a proportionate interest in the right to receive certain designated Series 2020B Revenues, including Series 2020B Base Rentals, under and as defined in the Lease Purchase Agreement (the “Lease”) dated as of September 1, 2020, between U.S. Bank National Association, Denver, Colorado, as Trustee (the “Trustee”), as lessor, and the City of Lakewood, Colorado (the “City”),
as lessee. This Series 2020B Certificate is secured as provided in the Lease and the Indenture of Trust (the “Indenture”) dated as of September 1, 2020, by the Trustee. All terms capitalized but not defined herein shall have the meanings given to them in the Indenture.

This Series 2020B Certificate bears interest, matures, is payable, is subject to redemption, and is transferable as provided in the Indenture.

Under the Site Lease, certain Leased Property described therein (the “Leased Property”) has been leased by the City, as lessor, to the Trustee, as lessee. Under the Lease, the Leased Property has been leased back by the Trustee, as lessor, to the City, as lessee, and the City has agreed to pay directly to the Trustee certain Series 2020B Base Rentals in consideration of the City’s right to possess and use the Leased Property. Certain Series 2020B Revenues, including Series 2020B Base Rentals, are required under the Indenture to be distributed by the Trustee for the payment of the Series 2020B Certificates and interest thereon. The Lease is subject to annual appropriation, non-renewal and, in turn, termination by the City.

This Series 2020B Certificate has been executed and delivered pursuant to the terms of the Indenture. Reference is hereby made to the Site Lease, the Lease and the Indenture (copies of which are on file in the offices of the Trustee) for a description of the terms on which the Series 2020B Certificates are delivered, and the rights thereunder of the Series 2020B Owners of the Series 2020B Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the City under the Site Lease and the Lease, to all of the provisions of which Site Lease, Lease and Indenture the Series 2020B Owner of this Series 2020B Certificate, by acceptance hereof, assents and agrees.

This Series 2020B Certificate is executed and delivered under the authority of Part 2 of Article 57, Title 11, Colorado Revised Statutes (the “Supplemental Act”). Pursuant to Section 11-57-210 of the Supplemental Act, such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Series 2020B Certificate after its delivery for value.


Series 2020B Certificates

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal Installment</th>
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<tbody>
<tr>
<td>June 1, 2026</td>
<td>$120,000</td>
</tr>
<tr>
<td>June 1, 2027</td>
<td>305,000</td>
</tr>
<tr>
<td>June 1, 2028</td>
<td>310,000</td>
</tr>
<tr>
<td>June 1, 2029</td>
<td>315,000</td>
</tr>
<tr>
<td>June 1, 2030</td>
<td>320,000</td>
</tr>
<tr>
<td>June 1, 2031</td>
<td>330,000</td>
</tr>
<tr>
<td>June 1, 2032</td>
<td>335,000</td>
</tr>
</tbody>
</table>
June 1, 2033  340,000
June 1, 2034  345,000
June 1, 2035  355,000
June 1, 2036  360,000
June 1, 2037  365,000
June 1, 2038  375,000
June 1, 2039  380,000
TOTAL  $[4,555,000]

*Maturity.

Notwithstanding any provisions to the contrary contained herein, so long as the Initial Purchaser is the sole Series 2020B Owner of all Outstanding Series 2020B Certificates, the Initial Purchaser shall not be required to surrender this Series 2020B Certificate to the Trustee to receive payment in connection with principal installments, but shall be required to surrender this Series 2020B Certificate only on the final Maturity Date of redemption date, if any, to receive payment of the final principal payment hereof.

The interest hereon is payable at the interest rate from the Dated Date (specified above) on June 1 and December 1 of each year, beginning December 1, 2020 (the “Interest Payment Dates”) and thereafter (A) from the Execution Date (specified below), if this Series 2020B Certificate is executed on an Interest Payment Date or (B) from the last preceding Interest Payment Date to which interest has been paid in all other cases, until the Principal Amount is paid as set forth herein. Interest is to be calculated on the basis of a 360-day year consisting of twelve 30-day months.

**This Series 2020B Certificate is Payable Solely From the Series 2020B Base Rentals Payable to the Trustee Pursuant to the Lease and Other Series 2020B Revenues as Defined in the Indenture. Neither the Lease, This Series 2020B Certificate, or the Obligation of the City to Pay Series 2020B Base Rentals or Additional Series 2020B Rentals Constitutes a General Obligation or Other Indebtedness of the City or a Multiple Fiscal Year Direct or Indirect Debt or Other Financial Obligation Whatsoever of the City, Within the Meaning of Any Constitutional, Home Rule Charter or Statutory Debt Limitation. Neither the Lease Nor the Series 2020B Certificates Have Directly or Indirectly Obligated the City to Make Any Payments Beyond Those Appropriated for the City’s Then Current Fiscal Year.**

The principal of, premium, if any, and interest on all Series 2020B Certificates shall be payable to the Series 2020B Owner thereof at its address last appearing on the registration books maintained by the Trustee. Notwithstanding the foregoing, so long as the Initial Purchaser is the sole owner of the Outstanding Series 2020B Certificates, the installments of principal and interest on the Series 2020B Certificates shall be payable, without presentment, by wire transfer of funds to a bank account designated by the Initial Purchaser in written instructions to the Trustee.

**Extraordinary Mandatory Redemption.** If the Lease is terminated by reason of the occurrence of (a) an Event of Non-appropriation, or (b) an Event of Lease Default, or (c) the
Trustee, at the direction of the City, fails to repair or replace the Leased Property if: (1) the Leased Property is damaged or destroyed in whole or in part by fire or other casualty; (2) title to, or the temporary or permanent use of, the Leased Property, or any portion thereof, has been taken by eminent domain by any governmental body; (3) breach of warranty or any material defect with respect to the Leased Property becomes apparent; or (4) title to or the use of all or any portion of the Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds (as defined in the Lease) of any insurance, performance bond or condemnation award, or Net Proceeds received as a consequence of defaults under contracts relating to the Leased Property, made available by reason of such occurrences, are insufficient to pay in full, the cost of repairing or replacing the Leased Property and the City does not appropriate sufficient funds for such purpose or cause the Lease to be amended in order that Additional Series 2020B Certificates or Additional Series 2020B Certificates may be executed and delivered pursuant to the Indenture for such purpose, the Series 2020B Certificates are required to be called for redemption. If called for redemption, as described herein, the Series 2020B Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds as described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the Lease, otherwise received and other moneys then available under the Indenture are insufficient to pay in full the principal of and accrued interest on all Outstanding Series 2020B Certificates and Series 2020B Certificates, the Trustee may, with the consent of the Initial Purchaser, or at the request of the Series 2020B Owners and Series 2020B Owners of a majority in aggregate principal amount of the Certificates Outstanding, and upon indemnification as to costs and expenses as provided in the Indenture, without any further demand or notice, is to exercise all or any combination of Lease Remedies as provided in the Lease and the Series 2020B Certificates and Series 2020B Certificates are to be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, then on hand and being held by the Trustee for the Series 2020B Owners of the Series 2020B Certificates and the Series 2020B Owners of the Series 2020B Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem the Series 2020A Taxable Certificates and Series 2020B Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys shall be allocated proportionately among the Series 2020A Taxable Certificates and Series 2020B Certificates, according to the principal amount thereof Outstanding. In the event that such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are in excess of the amount required to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such excess moneys shall be paid to the City as an overpayment of the Purchase Option Price. Prior to any distribution of the Net Proceeds resulting from the exercise of any of such remedies, the Trustee shall be entitled to payment of its reasonable and customary fees for all services rendered in connection with such disposition, as well as reimbursement for all reasonable costs and expenses, including attorneys’ fees, incurred thereby, from proceeds resulting from the exercise of such Lease Remedies and other moneys.
IF THE SERIES 2020B CERTIFICATES ARE REDEEMED FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT IS DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE SERIES 2020B CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO SERIES 2020B OWNER OF SUCH SERIES 2020B CERTIFICATES, INCLUDING THIS SERIES 2020B CERTIFICATE, SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE CITY.

Notwithstanding the foregoing or any other provisions to the contrary in the Lease or the Indenture, so long as the Initial Purchaser is the sole Series 2020B Owner of the Series 2020B Certificates, the Series 2020B Certificates shall not be subject to extraordinary mandatory redemption under Section 5.03 of the Indenture and the Trustee may not apply any Net Proceeds or other available moneys to the redemption of the Series 2020B Certificates prior to their maturity date or mandatory sinking fund redemption dates without the prior written consent of the Initial Purchaser. In the absence of such consent, the Trustee shall apply the Net Proceeds to the payment of the principal of and interest on the Series 2020B Certificates on the regularly scheduled maturity date thereof, mandatory sinking fund redemption dates thereof, and interest payment dates of the Series 2020B Certificates.

Additional Series 2020B Certificates may be executed and delivered pursuant to the Indenture upon the satisfaction of certain conditions and limitations. Any such Additional Series 2020B Certificates would evidence interests in rights to receive Series 2020B Revenues, including Series 2020B Base Rentals, without preference, priority or distinction of any Series 2020B Certificates, including the Additional Series 2020B Certificates, over any others, however, insurance, a reserve fund and other credit facilities may be applicable only to particular series of Series 2020B Certificates or portions thereof.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture may be amended by the Trustee with the written consent of the Series 2020B Owners of a majority in aggregate principal amount of the Series 2020B Certificates outstanding, and may be amended without such consent under certain circumstances described in the Indenture but in no event such that the interests of the Series 2020B Owners of the Series 2020B Certificates are materially adversely affected, provided that no such amendment is to impair the right of any Series 2020B Owner to receive in any case such Series 2020B Owner’s proportionate share of any payment of Series 2020B Revenues in accordance with the terms of such Series 2020B Owner’s Series 2020B Certificate.

This Series 2020B Certificate is executed with the intent that the laws of the State of Colorado shall govern its legality, validity, enforceability and construction. The City has determined that this Series 2020B Certificate is authorized and issued under the authority of and in full conformity with the Constitution of the State of Colorado and all other laws of the State of Colorado thereunto enabling.

This Series 2020B Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Lease or the Indenture, until executed by the Trustee.
The Trustee has executed this Series 2020B Certificate solely in its capacity as Trustee under the Indenture and not in its individual or personal capacity. The Trustee is not liable for the obligations evidenced by the Series 2020B Certificates except from amounts held by it in its capacity as Trustee under the Indenture.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all things, conditions and acts required by the Constitution and the statutes of the State and the Indenture to exist, to have happened and to have been performed precedent to and the execution and delivery of this Series 2020B Certificate, do exist, have happened and have been performed in due time, form and manner, as required by law.

IN WITNESS WHEREOF, this Series 2020B Certificate has been executed with the manual signature of an authorized representative of the Trustee.

Execution Date: September 1, 2020

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: ________________________________
    Senior Vice President
(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto ________________________________ the within Series 2020B Certificate and hereby irrevocably constitutes and appoints ____________ Attorney, to transfer the within Series 2020B Certificate on the books kept for registration thereof, with full power of substitution in the premises.

______________________________
Signature

Dated: __________________________

Signature Guaranteed:

____________________________________
Signature must be guaranteed by a member of a Medallion Signature Program

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 certificate in every particular, without alteration or enlargement or any change whatsoever.

(End Form of Assignment)
PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Series 2020B Certificate have been paid or prepaid in accordance with the terms of the Indenture authorizing the issuance of this Series 2020B Certificate.

<table>
<thead>
<tr>
<th>Date of Prepayment</th>
<th>Principal Prepaid</th>
<th>Signature of Authorized Registered Owner</th>
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(End Form of Certificates)
INDENTURE OF TRUST

DATED AS OF SEPTEMBER 1, 2020

BY

U.S. BANK NATIONAL ASSOCIATION,
solely in its capacity as Trustee

relating to

CERTIFICATES OF PARTICIPATION,
SERIES 2020A
IN THE AGGREGATE PRINCIPAL AMOUNT OF $[1,300,000];

AND

CERTIFICATES OF PARTICIPATION,
SERIES 2020B
IN THE AGGREGATE PRINCIPAL AMOUNT OF $[4,555,000]
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INDENTURE OF TRUST

This INDENTURE OF TRUST dated as of SEPTEMBER 1, 2020 (this “Indenture”), is executed and delivered by U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, solely in its capacity as trustee (the “Trustee”) for the benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates as set forth in this Indenture.

PREFACE

All capitalized terms used herein will have the meanings ascribed to them in Article 1 of this Indenture.

RECITALS

1. This Indenture is being executed and delivered to provide for the execution, delivery and payment of and security for the Certificates, the net proceeds of which will be used to finance the Series 2020A Refunding Project and the Series 2020B Irrigation Project. The Series 2020A Taxable Certificates evidence undivided interests in the right to receive Series 2020A Revenues under the Lease, and the Series 2020B Certificates evidence undivided interests in the right to receive Series 2020B Revenues under the Lease.

2. Pursuant to the Lease, and subject to the rights of the City to not appropriate the Series 2020A Base Rentals, Series 2020B Base Rentals or Additional Rentals thereunder and, therefore, to not renew and to terminate the Lease and other limitations as therein provided, the City is to pay certain Series 2020A Base Rentals and Series 2020B Base Rentals directly to the Trustee, for the benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates, respectively, in consideration of the City’s right to possess and use the Leased Property.

3. The Trustee has entered into this Indenture for and on behalf of the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates and the Trustee will hold the Series 2020A Revenues, Series 2020B Revenues and the Leased Property and will exercise the Trustee’s rights under the Site Lease and the Lease for the equal and proportionate benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates as described herein, and will disburse money received by the Trustee in accordance with this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that the Trustee, in consideration of the premises, the purchase of the Series 2020A Taxable Certificates by the Series 2020A Owners, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Series 2020A Taxable Certificates and all other amounts payable to the Series 2020A Owners of the Series 2020A Taxable Certificates, to secure the performance and observance of all the covenants and conditions set forth in the Series 2020A Taxable Certificates and the Indenture, and to declare the terms and conditions upon and subject to which the Series
2020A Taxable Certificates are executed, delivered and secured, has executed and delivered this Indenture and has granted, assigned, pledged, bargained, sold, alienated, remised, released, conveyed, set over and confirmed, and by these presents does grant, assign, pledge, bargain, sell, alienate, remise, release, convey, set over and confirm, in trust upon the terms set forth herein all and singular the following described property, franchises and income, including any title or interest therein acquired after these presents, all and singular the following described property, franchises and income, including any title therein acquired after these presents (collectively, the “Series 2020A Trust Estate”):

(a) all rights, title and interest of the Trustee in, to and under the Site Lease and the Lease relating to the Leased Property, subject to Permitted Encumbrances (other than the Trustee’s rights to payment of its fees and expenses under the Site Lease and the Lease and the rights of third parties to Additional Rentals payable to them under the Lease);

(b) all Series 2020A Revenues and any other receipts receivable by or on behalf of the Trustee pursuant to the Lease, including without limitation, all Series 2020A Base Rentals, Series 2020A Prepayments, the Purchase Option Price and Net Proceeds; and

(c) all money and securities from time to time held by the Trustee under this Indenture in the Series 2020A Base Rentals Fund, Series 2020A Costs of Execution and Delivery Fund, any and all other property, revenues or funds from time to time hereafter by delivery or by writing of any kind specially granted, assigned or pledged as and for additional security hereunder, by any Person in favor of the Trustee, which shall accept any and all such property and hold and apply the same subject to the terms hereof.

THIS INDENTURE FURTHER WITNESSETH, that the Trustee, in consideration of the premises, the purchase of the Series 2020B Certificates by the Series 2020B Owners, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Series 2020B Certificates and all other amounts payable to the Series 2020B Owners of the Series 2020B Certificates, to secure the performance and observance of all the covenants and conditions set forth in the Series 2020B Certificates and the Indenture, and to declare the terms and conditions upon and subject to which the Series 2020B Certificates are executed, delivered and secured, has executed and delivered this Indenture and has granted, assigned, pledged, bargained, sold, alienated, remised, released, conveyed, set over and confirmed, and by these presents does grant, assign, pledge, bargain, sell, alienate, remise, release, convey, set over and confirm, in trust upon the terms set forth herein all and singular the following described property, franchises and income, including any title or interest therein acquired after these presents, all and singular the following described property, franchises and income, including any title therein acquired after these presents (collectively, the “Series 2020B Trust Estate”):

(a) all rights, title and interest of the Trustee in, to and under the Site Lease and the Lease relating to the Leased Property, subject to Permitted Encumbrances (other than the Trustee’s rights to payment of its fees and expenses under the Site Lease and the Lease and the rights of third parties to Additional Rentals payable to them under the Lease);
(b) all Series 2020B Revenues and any other receipts receivable by or on behalf of the Trustee pursuant to the Lease, including without limitation, all Series 2020B Base Rentals, Series 2020B Prepayments, the Purchase Option Price and Net Proceeds; and

(c) all money and securities from time to time held by the Trustee under this Indenture in the Series 2020B Base Rentals Fund, Series 2020B Costs of Execution and Delivery Fund, (but not the Rebate Fund or any defeasance escrow fund or account), any and all other property, revenues or funds from time to time hereafter by delivery or by writing of any kind specially granted, assigned or pledged as and for additional security hereunder, by any Person in favor of the Trustee, which shall accept any and all such property and hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD IN TRUST, NEVERTHELESS, the Series 2020A Trust Estate for the equal and ratable benefit and security of all Series 2020A Owners of the Series 2020A Taxable Certificates, without preference, priority or distinction as to lien or otherwise of any one Series 2020A Taxable Certificate over any other Series 2020A Taxable Certificate upon the terms and subject to the conditions hereinafter set forth.

TO HAVE AND TO HOLD IN TRUST, NEVERTHELESS, the Series 2020B Trust Estate for the equal and ratable benefit and security of all Series 2020B Owners of the Series 2020B Certificates, without preference, priority or distinction as to lien or otherwise of any one Series 2020B Certificate over any other Series 2020B Certificate upon the terms and subject to the conditions hereinafter set forth.

PROVIDED, HOWEVER, that if the principal of the Series 2020A Taxable Certificates and Series 2020B Certificates, the premium, if any, and the interest due or to become due thereon, shall be paid at the times and in the manner mentioned in the Series 2020A Taxable Certificates and Series 2020B Certificates, respectively, according to the true intent and meaning thereof, and if there are paid to the Trustee all sums of money due or to become due to the Trustee in accordance with the terms and provisions hereof, then, upon such final payments, this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture shall be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Series 2020A Taxable Certificates and Series 2020B Certificates are to be executed and delivered and all said property, rights, interests, revenues and receipts hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Trustee has agreed and covenanted, and does hereby agree and covenant, for the benefit of the Series 2020A Owners and Series 2020B Owners, as follows:
ARTICLE 1
DEFINITIONS

Section 1.01 Certain Funds and Accounts. All references herein to any Funds and Accounts shall mean the Funds and Accounts so designated which are established pursuant to Article 3 hereof.

Section 1.02 Definitions. All capitalized terms defined in Article 1 of the Lease shall have the same meaning in this Indenture. In addition, the following capitalized terms shall have the following meanings under this Indenture, provided, however, that in the event of any inconsistency, any term defined below shall have the meaning ascribed to it in the Lease:

“Additional Rentals” means the payment or cost of all:

(a) (i) reasonable expenses and fees of the Trustee related to the performance or discharge of its responsibilities under the provisions of the Lease, the Site Lease or this Indenture, including the reasonable fees and expenses of any person or firm employed by the City to make rebate calculations under the provisions of Section 3.08 of this Indenture and the expenses of the Trustee in respect of any policy of insurance or surety bond (ii) the cost of insurance premiums and insurance deductible amounts under any insurance policy reasonably deemed necessary by the Trustee to protect the Trustee from any liability under the Lease, approved by the City Representative, which approval shall not be unreasonably withheld, (iii) reasonable legal fees and expenses incurred by the Trustee to defend the Series 2020A Trust Estate, Series 2020B Trust Estate or the Trustee from and against any legal claims, and (iv) reasonable expenses and fees of the Trustee incurred at the request of the City Representative;

(b) taxes, assessments, insurance premiums, utility charges, maintenance, upkeep, repair and replacement with respect to the Leased Property and as otherwise required under the Lease;

(c) rebate payments as provided in the Lease; and

(d) all other charges and costs (together with all interest and penalties that may accrue thereon in the event that the City shall fail to pay the same, as specifically set forth in the Lease) which the City agrees to assume or pay as Additional Rentals under the Lease.

Additional Rentals shall not include Base Rentals.

“Additional Series 2020A Certificates” means Additional Series 2020A Certificates which may be executed and delivered pursuant to this Indenture and that are payable from the Series 2020A Revenues.

“Additional Series 2020B Certificates” means Additional Series 2020B Certificates which may be executed and delivered pursuant to this Indenture and that are payable from the Series 2020B Revenues.

“Approval of Special Counsel” means an opinion of Special Counsel to the effect that the matter proposed will not adversely affect the excludability from gross income for federal
income tax purposes of the Interest Portion of the Series 2020B Base Rentals paid by the City under the Lease and attributable to the Series 2020B Certificates.

“Authorized Denominations” means (a) in the case of the Certificates executed and delivered to the Initial Purchaser, the Outstanding principal amount thereof, and (b) in the case of Additional Series 2020A Certificates and Additional Series 2020B Certificates, the amount set forth in the supplement to this Indenture authorizing the issuance of such Additional Certificates.

“Base Rentals” means the rental payments payable by the City during the Lease Term, including both Series 2020A Base Rentals and Series 2020B Base Rentals, which constitute payments payable by the City and in consideration of the right to possess and use the Leased Property as set forth in Exhibit C (Base Rentals Schedule) of the Lease, as it may be amended from time to time. Base Rentals do not include Additional Rentals.

“Business Day” means any day, other than a Saturday, Sunday or legal holiday or a day (a) on which banks located in Denver, Colorado are required or authorized by law or executive order to close or (b) on which the Federal Reserve System is closed.

“Certificates” means the Series 2020A Taxable Certificates and the Series 2020B Certificates, dated as of their date of delivery, executed and delivered to the Initial Purchaser pursuant to this Indenture. As used herein, the term “Certificates” does not include “Additional Series 2020A Certificates” or “Additional Series 2020B Certificates.”

“Chief Financial Officer” means the director of the Finance Department of the City or his or her successor in functions, if any.

“City” means the City of Lakewood, Colorado.

“City Council” means the City Council of the City or any successor to its functions.

“City Manager” means the City Manager of the City or his or her successor in function.

“City Representative” means the Mayor of the City, the City Manager or such other person at the time designated to act on behalf of the City for the purpose of performing any act under the Lease, the Site Lease or the Indenture by a written certificate furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of the City by the Mayor of the City.

“Closing” means the date of execution and delivery of the Certificates.

“Costs of Execution and Delivery” means all items of expense directly or indirectly payable by the Trustee related to the authorization, execution and delivery of the Site Lease and the Lease and related to the authorization, sale, execution and delivery of the Certificates and to be paid from the Series 2020A Costs of Execution and Delivery Fund and Series 2020B Costs of Execution and Delivery Fund, including but not limited to, title insurance premiums, closing costs and other costs relating to the leasing of the Leased Property under the Site Lease and the Lease, costs of preparation and reproduction of documents, costs of printing the Certificates, initial fees and charges of the Trustee and Paying Agent, legal fees and charges, including fees
and expenses of Bond Counsel, Counsel to the Trustee and Counsel to the Initial Purchaser, fees and disbursements of professionals, fees and charges for preparation, execution and safekeeping of the Certificates, and any other cost, charge or fee in connection with the original sale and the execution and delivery of the Certificates; provided, however, that Additional Rentals shall not be Costs of Execution and Delivery of the Certificates and are to be paid by the City as provided in the Lease.

“CRS” means Colorado Revised Statutes.

“Determination of Taxability” means that there has been rendered a final judgment or order of a court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in any such case to the effect that the interest on the Series 2020B Certificates is includable for Federal income tax purposes in the gross income of the Series 2020B Owners thereof pursuant to Section 103(b) of the Internal Revenue Code, and the rules and regulations promulgated thereunder. A judgment or order of a court of competent jurisdiction or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed (and is pending) and the time for filing such appeal or action has expired.

“Electronic Notice” means delivery of notice in a Word format or a Portable Document Format (PDF) by electronic mail to the electronic mail addresses listed in Section 12.08 hereof; provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise required by Section 12.08 hereof.

“Escrow Agent” means U.S. Bank National Association, and its successor and assigns pursuant to the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated September 1, 2020, between the Escrow Agent and the City, relating the partial defeasance of the Series 2006A Certificates.

“Event of Nonappropriation” means the termination and non-renewal of the Lease by the City, determined by the City Council’s failure, for any reason, to appropriate by the last day of each Fiscal Year, (a) sufficient amounts to be used to pay Series 2020A Base Rentals due in the next Fiscal Year, (b) sufficient amounts to be used to pay Series 2020B Base Rentals due in the next Fiscal Year and (c) sufficient amounts to pay such Additional Rentals as are estimated to become due in the next Fiscal Year, as provided in the Lease.

“Federal Securities” means non-callable bills, certificates of indebtedness, notes or bonds which are direct obligations of, or the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Fiscal Year” means the City’s fiscal year, which begins on January 1 of each calendar year and ends on December 31 of the same calendar year, or any other twelve month period which the City or other appropriate authority hereafter may establish as the City’s fiscal year.

“Indenture” means this Indenture of Trust dated as of September 1, 2020, executed and delivered by the Trustee as the same may be hereafter amended or supplemented.
“Initial Purchaser” means FirstBank, and its successors, as the initial purchaser of all the Certificates. All references to Initial Purchaser hereunder shall be applicable for so long as, and only to the extent that, the Initial Purchaser is the sole owner of all Outstanding Certificates. All references herein to Initial Purchaser shall be of no force and effect in the event that the Initial Purchaser is not the sole Owner of all Outstanding Certificates.

“Interest Payment Date” means June 1 and December 1 of each year, beginning December 1, 2020.

“Lease” means the Lease Purchase Agreement dated as of September 1, 2020, between the Trustee, as lessor, and the City, as lessee, as the same may be amended.

“Leased Property” has the meaning set forth in the Lease.

“Outstanding” or “Outstanding Series 2020A Taxable Certificates” means, with respect to the Series 2020A Taxable Certificates, all Series 2020A Taxable Certificates executed and delivered pursuant to this Indenture as of the time in question, except:

(a) All Series 2020A Taxable Certificates theretofore canceled or required to be canceled under Section 2.07 of this Indenture;

(b) Series 2020A Taxable Certificates in substitution for which other Series 2020A Taxable Certificates have been executed and delivered under Section 2.05 or 2.06 of this Indenture;

(c) Series 2020A Taxable Certificates which have been redeemed as provided in Article 4 of this Indenture;

(d) Series 2020A Taxable Certificates for the payment or redemption of which provision has been made in accordance with Article 7 of this Indenture; provided that, if such Series 2020A Taxable Certificates are being redeemed, the required notice of redemption has been given or provision satisfactory to the Trustee has been made therefor; and

(e) Series 2020A Taxable Certificates deemed to have been paid pursuant to Section 7.01 of this Indenture.

“Outstanding” or “Outstanding Series 2020B Certificates” means, with respect to the Series 2020B Certificates, all Series 2020B Certificates executed and delivered pursuant to this Indenture as of the time in question, except:

(a) All Series 2020B Certificates theretofore canceled or required to be canceled under Section 2.07 of this Indenture;

(b) Series 2020B Certificates in substitution for which other Series 2020B Certificates have been executed and delivered under Section 2.05 or 2.06 of this Indenture;
Series 2020B Certificates which have been redeemed as provided in Article 5 of this Indenture;

Series 2020B Certificates for the payment or redemption of which provision has been made in accordance with Article 7 of this Indenture; provided that, if such Series 2020B Certificates are being redeemed, the required notice of redemption has been given or provision satisfactory to the Trustee has been made therefor; and

Series 2020B Certificates deemed to have been paid pursuant to Section 7.01 of this Indenture.

“Paying Agent” means the Trustee or any successor or additional paying agent appointed pursuant to this Indenture.

“Permitted Investments” means those investments the City is authorized to enter into under the laws of the State of Colorado.

“Property” has the meaning set forth in the recitals to the Lease.

“Purchase Option Price” means the amount payable on any date, at the option of the City, to defease this Indenture, prepay Series 2020A Base Rentals and Series 2020B Base Rentals, terminate the Lease Term and purchase the Trustee’s leasehold interest in the Leased Property as provided in the Lease and in this Indenture.

“Rebate Fund” means the fund created under Section 3.08 hereof.

“Regular Record Date” means the close of business on the 15th day of the calendar month immediately preceding the Interest Payment Date (or the Business Day immediately preceding such 15th day, if such 15th day is not a Business Day).

“Series 2006A Certificates” means the Refunding Certificates of Participation, Series 2006A, Evidencing Assignment of a Proportionate Undivided Interest in Rights to Receive Certain Revenues to be Received from the City of Lakewood, Colorado, Pursuant to a Lease Purchase and Sublease Agreement dated as of August 1, 2000, as amended by the First Amendment to Lease Purchase and Sublease Agreement dates as of April 1, 2004, and as amended and supplemented by the Second Amendment to Lease Purchase and Sublease Agreement dated as of February 1, 2006, with the Lakewood Public Building Authority.

“Series 2020A Base Rentals” means the portion of the Base Rentals related to the Series 2020A Refunding Project, as set forth in Exhibit C (Base Rentals Schedule) of the Lease, as it may be amended from time to time.

“Series 2020A Base Rentals Fund” means the fund created under Section 3.04 hereof.

“Series 2020A Costs of Execution and Delivery Fund” means the fund created under Section 3.05 hereof.
“Series 2020A Event(s) of Indenture Default” means those defaults specified in Section 8.01 of this Indenture.

“Series 2020A Extraordinary Mandatory Redemption” means any redemption made pursuant to Section 4.03 hereof.

“Series 2020A Interest Portion” means the portion of each Series 2020A Base Rentals payment that represents the payment of interest set forth in Exhibit C (Base Rentals Schedule) of the Lease, as it may be amended from time to time.

“Series 2020A Optional Redemption” means any redemption made pursuant to Section 4.01 hereof.

“Series 2020A Optional Redemption Date” means the date of redemption of the Series 2020A Taxable Certificates upon Series 2020A Prepayment of Series 2020A Base Rentals or the payment of the Purchase Option Price under the Lease.

“Series 2020A Owners” means the registered owners of any Series 2020A Taxable Certificates or Additional Series 2020A Certificates. The Initial Purchaser shall be the initial registered owner of all Outstanding Series 2020A Taxable Certificates.

“Series 2020A Prepayment” means any amount paid by the City pursuant to the provisions of the Lease as a prepayment of the Series 2020A Base Rentals due thereunder.

“Series 2020A Refunding Project” means the portion of the moneys received in connection with the execution of the Lease used to refinance the portion of the City’s obligations under the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund.

“Series 2020A Revenues” means (a) all amounts payable by or on behalf of the City or with respect to the Leased Property related to the Series 2020A Taxable Certificates or Series 2020A Refunding Project pursuant to the Lease including, but not limited to, all Series 2020A Base Rentals, Series 2020A Prepayments, the Purchase Option Price and Net Proceeds, but not including Additional Rentals; (b) any portion of the proceeds of the Series 2020A Taxable Certificates or the Additional Series 2020A Certificates deposited into the Series 2020A Base Rentals Fund; (c) any moneys which may be derived from any insurance in respect of the Series 2020A Taxable Certificates; and (d) any moneys and securities, including investment income, held by the Trustee in the Series 2020A Base Rentals Fund, Series 2020A Costs of Execution and Delivery Fund or any other fund established under this Indenture related to the Series 2020A Taxable Certificates.

“Series 2020A Taxable Certificates” means the “Certificates of Participation, Series 2020A, Evidencing Proportionate Interests in the Series 2020A Base Rentals and other Series 2020A Revenues under an annually renewable Lease Purchase Agreement dated as of September 1, 2020, between U.S. Bank National Association, solely in its capacity as trustee under the Indenture, as lessor, and the City of Lakewood, Colorado, as lessee” dated as of their date of delivery, executed and delivered pursuant to this Indenture, and issued in order to effectuate the Series 2020A Refunding Project. As used herein, the term “Series 2020A Taxable Certificates” does not include “Additional Series 2020A Certificates.”
“Series 2020A Trust Estate” means all of the property placed in trust by the Trustee pursuant to the Granting Clauses hereof.

“Series 2020B Base Rentals” means the portion of the Base Rentals related to the Series 2020B Irrigation Project, as set forth in Exhibit C (Base Rentals Schedule) of the Lease, as it may be amended from time to time.

“Series 2020B Base Rentals Fund” means the fund created under Section 3.06 hereof.

“Series 2020B Certificates” means the “Certificates of Participation, Series 2020B, Evidencing Proportionate Interests in the Series 2020B Base Rentals and other Series 2020B Revenues under an annually renewable Lease Purchase Agreement dated as of September 1, 2020, between U.S. Bank National Association, solely in its capacity as trustee under the Indenture, as lessor, and the City of Lakewood, Colorado, as lessee” dated as of their date of delivery, executed and delivered pursuant to this Indenture, and issued in order to effectuate the Series 2020B Irrigation Project. As used herein, the term “Series 2020B Certificates” does not include “Additional Series 2020B Certificates.”

“Series 2020B Costs of Execution and Delivery Fund” means the fund created under Section 3.07 hereof.

“Series 2020B Event(s) of Indenture Default” means those defaults specified in Section 9.01 of this Indenture.

“Series 2020B Extraordinary Mandatory Redemption” means any redemption made pursuant to Section 4.03 hereof.

“Series 2020B Interest Portion” means the portion of each Series 2020B Base Rentals payment that represents the payment of interest set forth in Exhibit C (Base Rentals Schedule) of the Lease, as it may be amended from time to time.

“Series 2020B Irrigation Project” means the portion of the moneys received in connection with the execution of the Site Lease and this Lease used to finance the design, construction, installation, acquisition, renovation, replacement, maintenance and repair of irrigation system improvements, and related appurtenances, at the Fox Hollow Golf Course.

“Series 2020B Optional Redemption” means any redemption made pursuant to Section 4.01 hereof.

“Series 2020B Optional Redemption Date” means the date of redemption of the Certificates upon Series 2020B Prepayment of Series 2020B Base Rentals or the payment of the Purchase Option Price under the Lease.

“Series 2020B Owners” means the registered owners of any Series 2020B Certificates or Additional Series 2020B Certificates. The Initial Purchaser shall be the initial registered owner of all Outstanding Series 2020B Certificates.
“Series 2020B Prepayment” means any amount paid by the City pursuant to the provisions of the Lease as a prepayment of the Series 2020B Base Rentals due thereunder.

“Series 2020B Revenues” means (a) all amounts payable by or on behalf of the City or with respect to the Leased Property related to the Series 2020B Certificates or Series 2020B Irrigation Project pursuant to the Lease including, but not limited to, all Series 2020B Base Rentals, Series 2020B Prepayments, the Purchase Option Price and Net Proceeds, but not including Additional Rentals; (b) any portion of the proceeds of the Series 2020B Certificates or the Additional Series 2020B Certificates deposited into the Series 2020B Base Rentals Fund; (c) any moneys which may be derived from any insurance in respect of the Series 2020B Certificates; and (d) any moneys and securities, including investment income, held by the Trustee in the Series 2020B Base Rentals Fund, Series 2020B Costs of Execution and Delivery Fund or any other fund established under this Indenture related to the Series 2020B Certificates (except for moneys and securities held in the Rebate Fund or any defeasance escrow account).

“Series 2020B Trust Estate” means all of the property placed in trust by the Trustee pursuant to the Granting Clauses hereof.

“Site Lease” means the Site and Improvement Lease Agreement, dated as of September 1, 2020, between the City, as lessor, and the Trustee, as lessee, as the same may hereafter be amended.

“Special Counsel” means any counsel experienced in matters of municipal law and listed in the list of municipal bond attorneys, as published semiannually by The Bond Buyer, or any successor publication. So long as the Lease Term is in effect, the City shall have the right to select Special Counsel.

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

“Tax Certificate” means the Federal Tax Exemption Certificate entered into by the City with respect to this Lease and the Series 2020B Certificates.


(End of Article 1.)
ARTICLE 2
THE CERTIFICATES

Section 2.01  Amount of the Certificates; Nature of the Certificates. Except as provided in Section 2.08 hereof, the aggregate original principal amount of Series 2020A Taxable Certificates that may be executed and delivered pursuant to this Indenture shall be $[1,300,000]. The Series 2020A Taxable Certificates shall constitute proportionate interests in the Trustee’s right to receive the Series 2020A Base Rentals under the Lease and other Series 2020A Revenues. The Series 2020A Taxable Certificates shall constitute a contract between the Trustee and the Series 2020A Owners of such Series 2020A Taxable Certificates. In no event shall any decision by the City Council not to appropriate any amounts payable under the Lease be construed to constitute an action impairing such contract.

Except as provided in Section 2.09 hereof, the aggregate original principal amount of Series 2020B Certificates that may be executed and delivered pursuant to this Indenture shall be $[4,555,000]. The Series 2020B Certificates shall constitute proportionate interests in the Trustee’s right to receive the Series 2020B Base Rentals under the Lease and other Series 2020B Revenues. The Series 2020B Certificates shall constitute a contract between the Trustee and the Series 2020B Owners of such Series 2020B Certificates. In no event shall any decision by the City Council not to appropriate any amounts payable under the Lease be construed to constitute an action impairing such contract.

The Certificates shall not constitute a mandatory charge or requirement of the City in any ensuing Fiscal Year beyond the current Fiscal Year, and shall not constitute or give rise to a general obligation or other indebtedness of the City or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City, within the meaning of any constitutional, home rule charter or statutory debt provision or limitation. No provision of the Certificates shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. The execution and delivery of the Certificates shall not directly or indirectly obligate the City to renew the Lease from Fiscal Year to Fiscal Year or to make any payments beyond those appropriated for the City’s then current Fiscal Year.

Section 2.02  Forms, Interest Rates, Maturities and Other Terms of Certificates. The Series 2020A Taxable Certificates shall be in substantially the form attached hereto as Exhibit A, the Series 2020B Certificates shall be in substantially the form attached hereto as Exhibit B and all provisions and terms of the Certificates set forth therein are incorporated in this Indenture.

The Series 2020A Taxable Certificates shall be executed and delivered in fully registered form in the principal amount of $[1,300,000], the Authorized Denomination thereof. Any Series 2020A Taxable Certificates issued upon the transfer or replacement of such Series 2020A Taxable Certificate shall be numbered consecutively in such manner as the Trustee shall determine.

The Series 2020B Certificates shall be executed and delivered in fully registered form in the principal amount of $[4,555,000], the Authorized Denomination thereof. Any Series 2020B
Certificates issued upon the transfer or replacement of such Series 2020B Certificate shall be numbered consecutively in such manner as the Trustee shall determine.

The Certificates are executed and delivered under the authority of the Supplemental Act and shall so recite. Pursuant to Section 11-57-210 of the Supplemental Act, such recital shall be conclusive evidence of the validity and the regularity of the execution and delivery of the Certificates after their delivery for value.

The Series 2020A Taxable Certificates shall be dated September 1, 2020, and shall mature on June 1, 2026, payable initially in semi-annual interest-only installments as shown below, and then in annual sinking fund payments beginning June 1, 2022.

The Series 2020B Certificates shall be dated September 1, 2020, and shall mature on June 1, 2039, payable initially in semi-annual interest-only installments as shown below, and then in annual sinking fund payments beginning June 1, 2022.

The Series 2020A Taxable Certificates shall bear interest at a rate of 1.95% per annum.

The Series 2020B Certificates shall bear interest at a rate of 2.15% per annum.

The Certificates shall bear interest from their date to respective maturity or prior redemption at the rates per annum set forth above, payable on each Interest Payment Date and calculated on the basis of a 360-day year of twelve 30-day months.

The Owner of the Certificates is entitled to receive, subject to the terms of the Lease, the principal amount of such Certificates, in the principal installments in the amounts and on the dates specified below, and is entitled to receive interest on the principal amount at the interest rate specified above.

<table>
<thead>
<tr>
<th>Series 2020A Taxable Certificates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
</tr>
<tr>
<td>June 1, 2022</td>
</tr>
<tr>
<td>June 1, 2023</td>
</tr>
<tr>
<td>June 1, 2024</td>
</tr>
<tr>
<td>June 1, 2025</td>
</tr>
<tr>
<td>June 1, 2026*</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

*Maturity.
Series 2020B Taxable Certificates

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal Installment</th>
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</thead>
<tbody>
<tr>
<td>June 1, 2026</td>
<td>$120,000</td>
</tr>
<tr>
<td>June 1, 2027</td>
<td>305,000</td>
</tr>
<tr>
<td>June 1, 2028</td>
<td>310,000</td>
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<tr>
<td>June 1, 2029</td>
<td>315,000</td>
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<tr>
<td>June 1, 2030</td>
<td>320,000</td>
</tr>
<tr>
<td>June 1, 2031</td>
<td>330,000</td>
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<tr>
<td>June 1, 2032</td>
<td>335,000</td>
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<tr>
<td>June 1, 2033</td>
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<tr>
<td>June 1, 2034</td>
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<tr>
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<tr>
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<td>June 1, 2037</td>
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<tr>
<td>June 1, 2038</td>
<td>375,000</td>
</tr>
<tr>
<td>June 1, 2039*</td>
<td>380,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$[4,555,000]</td>
</tr>
</tbody>
</table>

*Maturity.

Notwithstanding any provisions to the contrary contained herein, so long as the Initial Purchaser is the sole Owner of all Outstanding Certificates, the Initial Purchaser shall not be required to surrender such Certificates to the Trustee to receive payment in connection with principal installments, but shall be required to surrender the Certificates only on the respective final Maturity Date or redemption date, if any, to receive payment of the final principal payment hereof.

The payment of principal, premium, if any, and interest represented by the Certificates shall be made in lawful money of the United States of America.

The Certificates shall be subject to redemption prior to maturity, all as provided in Articles 4 and 5 hereof.

The principal of, premium, if any, and interest on all Certificates shall be payable to the Owner thereof at its address last appearing on the registration books maintained by the Trustee. Notwithstanding the foregoing, so long as the Initial Purchaser is the sole owner of the Certificates, the installments of principal and interest on the Certificates shall be payable, without presentment, by wire transfer of funds to a bank account designated by the Initial Purchaser in written instructions to the Trustee.

Interest shall be paid to the Owner of each Certificate, as shown on the registration books kept by the Trustee, as of the close of business on the Regular Record Date, irrespective of any transfer of ownership of Certificates subsequent to the Regular Record Date and prior to such Interest Payment Date, or on a special record date, which shall be fixed by the Trustee for such
purpose, irrespective of any transfer of ownership of Certificates subsequent to such special
record date and prior to the date fixed by the Trustee for the payment of such interest. Notice of
the special record date and of the date fixed for the payment of such interest shall be given by
providing a copy thereof by electronic means or by first class mail postage prepaid at least ten
(10) days prior to the special record date, to the Owner of each Certificate upon which interest
will be paid, determined as of the close of business on the day preceding the giving of such
notice.

Section 2.03 Execution. Each Certificate shall be executed with the manual signature
of a duly authorized representative of the Trustee. It shall not be necessary that the same
authorized representative of the Trustee sign all of the Certificates executed and delivered
hereunder. In case any authorized representative of the Trustee whose signature appears on the
Certificates ceases to be such representative before delivery of the Certificates, such signature
shall nevertheless be valid and sufficient for all purposes, the same as if such authorized
representative had remained as such authorized representative until delivery.

No Certificate shall be valid or obligatory for any purpose or entitled to any security or
benefit hereunder unless and until executed in the manner prescribed by this Section, and such
execution of any Certificate shall be conclusive evidence that such Certificate has been properly
executed and delivered hereunder.

Section 2.04 Delivery of Certificates. The Certificates shall initially be registered in
the name of the Initial Purchaser, or such other name as directed in writing by the Initial
Purchaser. Upon the execution and delivery of this Indenture, the Trustee is authorized to
execute and deliver the Certificates to the Initial Purchaser in the principal amount, maturity and
interest rate set forth in Section 2.01 hereof, as provided in this Section:

(a) Before or upon the delivery by the Trustee of any of the Certificates, there shall be
filed with the Trustee an originally executed counterpart of this Indenture, the Lease, the Site
Lease, and a title insurance commitment or commitments (with a title insurance policy to be
delivered in a timely fashion after the delivery of the Certificates) under which the Trustee’s
leasehold interest in the Leased Property is insured in accordance with the requirements of the
Lease; and

(b) Thereupon, the Trustee shall execute and deliver the Certificates to the Initial
Purchaser upon payment to the Trustee of the purchase price thereof. Portions of such amounts
so received shall be deposited in the Cost of Execution and Delivery Fund, all as provided in
Article 3 hereof and in the Lease.

Section 2.05 Mutilated, Lost, Stolen or Destroyed Certificates. In the event the
Certificates are in the hands of Owners and one or more of the Certificates is mutilated, lost,
stolen or destroyed, a new Certificate may be executed by the Trustee, of like date, series,
maturity, interest rate and denomination as that mutilated, lost, stolen or destroyed; provided that
the Trustee shall have received indemnity from the Owner of the Certificate satisfactory to it and
provided further, in case of any mutilated Certificate, that such mutilated Certificate shall first be
surrendered to the Trustee, and in the case of any lost, stolen or destroyed Certificate, that there
shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the
Trustee. In the event that any such Certificate shall have matured, instead of executing and delivering a duplicate Certificate, the Trustee may pay the same without surrender thereof. The Trustee may charge the Owner of the Certificate with its reasonable fees and expenses in connection herewith.

Section 2.06 Registration of Certificates; Persons Treated as Owners; Transfer and Exchange of Certificates. Books for the registration and for the transfer of Certificates shall be kept by the Trustee which is hereby appointed the registrar. Upon surrender for transfer of any Certificate at the principal corporate trust office of the Trustee or at such other location as it shall designate, the Trustee shall execute and deliver in the name of the transferee or transferees a new Certificate or Certificates of the same series, of a like aggregate principal amount and interest rate and of the same maturity.

Certificates may be exchanged at the principal corporate trust office of the Trustee or at such other location as it shall designate for an equal aggregate principal amount of Certificates of the same series, interest rate, and the same maturity of other Authorized Denominations. The Trustee shall execute and deliver Certificates which the Owner making the exchange is entitled to receive, bearing numbers not contemporaneously outstanding.

All Certificates presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner or by his or her attorney duly authorized in writing.

The Trustee shall not be required to transfer or exchange any Certificate during the period of fifteen (15) days next preceding any Interest Payment Date nor to transfer or exchange any Certificate after the mailing of notice calling such Certificate for redemption has been made as herein provided, nor during the period of fifteen (15) days next preceding the mailing of such notice of redemption.

New Certificates delivered upon any transfer or exchange shall evidence the same obligations as the Certificates surrendered, shall be secured by this Indenture and entitled to all of the security and benefits hereof to the same extent as the Certificates surrendered. The person in whose name any Certificate shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal or interest on any Certificate shall be made only to or upon the written order of the Owner thereof or his, her or its legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge such Certificate to the extent of the sum or sums paid.

The Trustee shall require the payment, by any Owner requesting exchange or transfer of Certificates, of any reasonable transfer fees, tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

Notwithstanding the foregoing or any other provisions to the contrary contained herein, the transfer of the Certificates is limited to (a) an affiliate of the Initial Purchaser, (b) a trust or other custodial arrangement established by the Initial Purchaser or one of its affiliates, the
owners of any beneficial interests in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, or (c) a qualified institutional buyer, provided that as a condition precedent to any such transfer, such buyer shall deliver to the City and the Trustee a sophisticated investor letter in substantially the form delivered by the Initial Purchaser on the Closing Date. In addition, any transfer of the Certificates must be in compliance with the securities laws of the United States of America; provided, however, that the Trustee shall have no duty to determine whether any requested transfer is in compliance with any such applicable securities laws.

Section 2.07 Cancellation of Certificates. Whenever any outstanding Certificates shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment thereof or for or after replacement pursuant to Sections 2.05 or 2.06 hereof, such Certificates shall be promptly canceled and destroyed by the Trustee in accordance with customary practices of the Trustee and applicable record retention requirements.

Section 2.08 Additional Series 2020A Certificates. So long as no Series 2020A Event of Indenture Default, Event of Nonappropriation or Event of Lease Default has occurred and is continuing and the Lease Term is in effect, one or more series of Additional Series 2020A Certificates may be executed and delivered upon the terms and conditions set forth herein. The principal of any Additional Series 2020A Certificates shall mature on June 1, and the Interest Payment Dates therefor shall be the same as the Interest Payment Dates for the Certificates; otherwise the times and amounts of payment of Additional Series 2020A Certificates shall be as provided in the supplemental ordinance or indenture and amendment to the Lease entered into in connection therewith.

Except as hereinafter provided, Additional Series 2020A Certificates may be executed and delivered only to pay any one or more of the following:

(a) the costs of making, at any time or from time to time, such substitutions, additions, modifications and improvements for or to the Leased Property as the City may deem necessary or desirable, and as in accordance with the provisions of the Lease; or

(b) for the purpose of refunding or refinancing all or any portion of Outstanding Series 2020A Taxable Certificates.

In such case, costs reasonably related to the purposes for which Additional Series 2020A Certificates are being executed and delivered may be included.

Additional Series 2020A Certificates may be executed and delivered only upon there being furnished to the Trustee:

(a) Originally executed counterparts of a supplemental Indenture and related and necessary amendments to the Site Lease and the Lease (including any necessary amendment to the Base Rentals Schedule); and

(b) A commitment or other evidence that the amount of the title insurance policy delivered in respect of the Series 2020A Taxable Certificates will be increased, if necessary, to reflect the amount of the Additional Series 2020A Certificates and all other Outstanding Series

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2020A Taxable Certificates (or such lesser amount as shall be the maximum insurable value of the real property included in the Leased Property); and

(c) A written opinion of Special Counsel to the effect that:

(i) the execution and delivery of Additional Series 2020A Certificates have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled;

(ii) the excludability of interest from gross income for federal income tax purposes on Outstanding Series 2020B Certificates will not be adversely affected by the execution and delivery of the Additional Series 2020A Certificates being executed and delivered; and

(iii) the sale, execution and delivery of the Additional Series 2020A Certificates, in and of themselves, will not constitute a Series 2020A Event of Indenture Default or an Event of Lease Default nor cause any violation of the covenants or representations herein or in the Lease;

(d) So long as the Initial Purchaser is the sole Owner of all the Series 2020A Outstanding Certificates, prior written consent of the Initial Purchaser; and

(e) Written directions from the City to the Trustee to deliver the Additional Series 2020A Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a specified purchase price.

Each Series 2020A Additional Certificate executed and delivered pursuant to this Section shall evidence a proportionate interest in the rights to receive the Series 2020A Revenues under this Indenture and shall be ratably secured with all Series 2020A Outstanding Certificates and in respect of all Series 2020A Revenues, and shall be ranked pari passu with such Outstanding Series 2020A Taxable Certificates and with Additional Series 2020A Certificates that may be executed and delivered in the future, if any.

Notwithstanding the foregoing, or anything to the contrary contained herein or in the Lease, so long as the Initial Purchaser is the sole Series 2020A Owner of all Outstanding Series 2020A Taxable Certificates, Additional Series 2020A Certificates may be issued for any other purpose and upon compliance with any other conditions so long as the City and the Initial Purchaser consent in writing to the execution and delivery of any such Additional Series 2020A Certificates.

Nothing herein shall be construed to prohibit or restrict the right of the City to enter into lease purchase agreements or execute and deliver certificates of participation that do not encumber the Leased Property hereunder or create a lien on the Funds and accounts created under this Indenture.

Section 2.09 Additional Series 2020B Certificates. So long as no Series 2020B Event of Indenture Default, Event of Non-appropriation or Event of Lease Default has occurred and is continuing and the Lease Term is in effect, one or more series of Additional Series 2020B Certificates may be executed and delivered upon the terms and conditions set forth
The principal of any Additional Series 2020B Certificates shall mature on June 1, and the Interest Payment Dates therefor shall be the same as the Interest Payment Dates for the Series 2020B Certificates; otherwise the times and amounts of payment of Additional Series 2020B Certificates shall be as provided in the supplemental ordinance or indenture and amendment to the Lease entered into in connection therewith.

Except as hereinafter provided, Additional Series 2020B Certificates may be executed and delivered only to pay any one or more of the following:

(a) the costs of making, at any time or from time to time, such substitutions, additions, modifications and improvements for or to the Leased Property as the City may deem necessary or desirable, and as in accordance with the provisions of the Lease; or

(b) for the purpose of refunding or refinancing all or any portion of Outstanding Series 2020B Certificates.

In such case, costs reasonably related to the purposes for which Additional Series 2020B Certificates are being executed and delivered may be included.

Additional Series 2020B Certificates may be executed and delivered only upon being furnished to the Trustee:

(a) Originally executed counterparts of a supplemental Indenture and related and necessary amendments to the Site Lease and the Lease (including any necessary amendment to the Base Rentals Schedule); and

(b) A commitment or other evidence that the amount of the title insurance policy delivered in respect of the Series 2020B Certificates will be increased, if necessary, to reflect the amount of the Additional Series 2020B Certificates and all other Outstanding Series 2020B Certificates (or such lesser amount as shall be the maximum insurable value of the real property included in the Leased Property); and

(c) A written opinion of Special Counsel to the effect that:

(i) the execution and delivery of Additional Series 2020B Certificates have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled;

(ii) the excludability of interest from gross income for federal income tax purposes on Outstanding Series 2020B Certificates will not be adversely affected by the execution and delivery of the Additional Series 2020B Certificates being executed and delivered; and

(iii) the sale, execution and delivery of the Additional Series 2020B Certificates, in and of themselves, will not constitute a Series 2020B Event of Indenture Default or an Event of Lease Default nor cause any violation of the covenants or representations herein or in the Lease;
(d) So long as the Initial Purchaser is the sole Series 2020B Owner of all the Outstanding Series 2020B Certificates, prior written consent of the Initial Purchaser; and

(e) Written directions from the City to the Trustee to deliver the Additional Series 2020B Certificates to the purchaser or purchasers therein identified upon payment to the Trustee of a specified purchase price.

Each Additional Series 2020B Certificate executed and delivered pursuant to this Section shall evidence a proportionate interest in the rights to receive the Series 2020B Revenues under this Indenture and shall be ratably secured with all Outstanding Series 2020B Certificates and in respect of all Series 2020B Revenues, and shall be ranked pari passu with such Outstanding Series 2020B Certificates and with Additional Series 2020B Certificates that may be executed and delivered in the future, if any.

Notwithstanding the foregoing, or anything to the contrary contained herein or in the Lease, so long as the Initial Purchaser is the sole Series 2020B Owner of all Outstanding Series 2020B Certificates, Additional Series 2020B Certificates may be issued for any other purpose and upon compliance with any other conditions so long as the City and the Initial Purchaser consent in writing to the execution and delivery of any such Additional Series 2020B Certificates.

Nothing herein shall be construed to prohibit or restrict the right of the City to enter into lease purchase agreements or execute and deliver certificates of participation that do not encumber the Leased Property hereunder or create a lien on the Funds and accounts created under this Indenture.

Section 2.10 Uniform Commercial Code. Subject to the registration provisions hereof, the Certificates shall be fully negotiable and shall have all the qualities of negotiable paper, and the owner or owners thereof shall possess all rights enjoyed by the holders or owners of investment securities under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest on the Certificates shall be paid, and the Certificates shall be transferable, free from and without regard to any equities, set-offs or cross-claims between or among the City, the Trustee and the original or any intermediate owner of any Certificates.

(End of Article 2.)
ARTICLE 3
REVENUES AND FUNDS

Section 3.01 Disposition of Proceeds of Series 2020A Taxable Certificates. The net proceeds of the Series 2020A Taxable Certificates (i.e., $[1,300,000]) shall be accounted for as follows:

(a) $[_________] shall be deposited with the Escrow Agent pursuant to the terms of the Site Lease and Escrow Agreement, to defease the portion of the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund and otherwise complete the Series 2020A Refunding Project.

(b) $[_________] shall be deposited in the Series 2020A Costs of Execution and Delivery Fund and be applied to the Costs of Execution and Delivery.

Section 3.02 Disposition of Proceeds of Series 2020B Certificates. The net proceeds of the Series 2020B Certificates (i.e., $[4,555,000]) shall be accounted for as follows:

(a) $[_________] shall be remitted to or at the direction of the City and be used, together with other available moneys of the City, to finance the Series 2020B Irrigation Project.

(b) $[_________] shall be deposited in the Series 2020B Costs of Execution and Delivery Fund and be applied to the Costs of Execution and Delivery.

Section 3.03 Application of Revenues and Other Moneys.

(a) All Series 2020A Base Rentals and Series 2020B Base Rentals payable under the Lease and other Series 2020A Revenues and Series 2020B Revenues shall be paid directly to the Trustee. If the Trustee receives any other payments on account of the Lease, the Trustee shall immediately deposit the same as provided below.

(b) Except for Net Proceeds to be applied pursuant to Section 11.02 of the Lease, the Trustee shall deposit all Series 2020A Revenues immediately upon receipt thereof, to the Series 2020A Base Rentals Fund in an amount required to cause the aggregate amount on deposit therein to equal the amount then required to make the principal and interest payments due on the Series 2020A Taxable Certificates on the next Interest Payment Date. In the event that the Trustee receives Series 2020A Prepayments under the Lease, the Trustee shall apply such Series 2020A Prepayments to the Series 2020A Optional Redemption of the Series 2020A Taxable Certificates or portions thereof in accordance with Section 4.01 hereof.

(c) Except for Net Proceeds to be applied pursuant to Section 11.02 of the Lease, the Trustee shall deposit all Series 2020B Revenues immediately upon receipt thereof to the Series 2020B Base Rentals Fund in an amount required to cause the aggregate amount on deposit therein to equal the amount then required to make the principal and interest payments due on the Series 2020B Certificates on the next Interest Payment Date. In the event that the Trustee receives Series 2020B Prepayments under the Lease, the Trustee shall apply such Series 2020B Prepayments to the Series 2020B Optional Redemption of the Series 2020B Taxable Certificates or portions thereof in accordance with Section 4.01 hereof.
Prepayments to the Series 2020B Optional Redemption of the Series 2020B Certificates or portions thereof in accordance with Section 5.01 hereof.

(d) Any other payments received by the Trustee in respect of the Lease shall be applied to the Series 2020A Base Rentals Fund and the Series 2020B Base Rentals Fund on a pro rata basis in accordance with the relative Outstanding principal amounts of the Series 2020A Taxable Certificates and Series 2020B Certificates.

Section 3.04 Series 2020A Base Rentals Fund. A special fund is hereby created and established with the Trustee denominated the “City of Lakewood, Colorado, 2020 Lease Purchase Agreement, Series 2020A Base Rentals Fund” which shall be used for the deposit of all Series 2020A Revenues, immediately upon receipt thereof by the Trustee, except for Net Proceeds to be applied pursuant to Section 11.02 of the Lease. Moneys in the Series 2020A Base Rentals Fund shall be used solely for the payment of the principal of and interest on the Series 2020A Taxable Certificates whether on an Interest Payment Date, at maturity or upon prior redemption, except as provided in 3.07 hereof.

The Series 2020A Base Rentals Fund shall be in the custody of the Trustee. The Trustee shall withdraw sufficient funds from the Series 2020A Base Rentals Fund to pay the principal of and interest on the Series 2020A Taxable Certificates as the same become due and payable whether on an Interest Payment Date, at maturity or upon prior redemption, which responsibility, to the extent of the moneys therein, the Trustee hereby accepts.

Any moneys held in the Series 2020A Base Rentals Fund shall be invested by the Trustee in accordance with Article 6 hereof.

Section 3.05 Series 2020A Costs of Execution and Delivery Fund. A special fund is hereby created and established with the Trustee and denominated the “Series 2020A Costs of Execution and Delivery Fund.” Upon the delivery of the Series 2020A Taxable Certificates there shall be deposited into the Series 2020A Costs of Execution and Delivery Fund from the proceeds of the Series 2020A Taxable Certificates the amounts directed by Section 3.02(i) hereof. Payments from the Series 2020A Costs of Execution and Delivery Fund shall be made by the Trustee upon receipt of a requisition for the provision of Costs of Execution and Delivery as approved in writing by the City Representative and (a) stating the payee, the amount to be paid and the purpose of the payment and (b) certifying that the amount to be paid is due and payable, has not been the subject of any previous requisition and is a proper charge against the Series 2020A Costs of Execution and Delivery Fund. The Trustee may conclusively rely on requisitions submitted in accordance with this Section 3.05 as complete authorization for the disbursements made pursuant thereto and shall not be responsible for any representations or certifications made therein.

Any moneys held in the Series 2020A Costs of Execution and Delivery Fund shall be invested by the Trustee in accordance with Article 6 hereof.

The Trustee shall transfer all moneys remaining in the Series 2020A Costs of Execution and Delivery Fund to the Series 2020A Base Rentals Fund (as directed in writing by the City Representative) upon the earlier to occur of: (a) 90 days after the execution and delivery of the
Section 3.06 Series 2020B Base Rentals Fund. A special fund is hereby created and established with the Trustee denominated the “City of Lakewood, Colorado, 2020 Lease Purchase Agreement, Series 2020B Base Rentals Fund” which shall be used for the deposit of all Series 2020B Revenues, immediately upon receipt thereof by the Trustee, except for Net Proceeds to be applied pursuant to Section 11.02 of the Lease. Moneys in the Series 2020B Base Rentals Fund shall be used solely for the payment of the principal of and interest on the Series 2020B Certificates whether on an Interest Payment Date, at maturity or upon prior redemption, except as provided in 3.08 hereof.

The Series 2020B Base Rentals Fund shall be in the custody of the Trustee. The Trustee shall withdraw sufficient funds from the Series 2020B Base Rentals Fund to pay the principal of and interest on the Series 2020B Certificates as the same become due and payable whether on an Interest Payment Date, at maturity or upon prior redemption, which responsibility, to the extent of the moneys therein, the Trustee hereby accepts.

Any moneys held in the Series 2020B Base Rentals Fund shall be invested by the Trustee in accordance with Article 6 hereof.

Section 3.07 Series 2020B Costs of Execution and Delivery Fund. A special fund is hereby created and established with the Trustee and denominated the “Series 2020B Costs of Execution and Delivery Fund.” Upon the delivery of the Series 2020B Certificates there shall be deposited into the Series 2020B Costs of Execution and Delivery Fund from the proceeds of the Series 2020B Certificates the amounts directed by Section 3.02(ii) hereof. Payments from the Series 2020B Costs of Execution and Delivery Fund shall be made by the Trustee upon receipt of a requisition for the provision of Costs of Execution and Delivery as approved in writing by the City Representative and (a) stating the payee, the amount to be paid and the purpose of the payment and (b) certifying that the amount to be paid is due and payable, has not been the subject of any previous requisition and is a proper charge against the Series 2020B Costs of Execution and Delivery Fund. The Trustee may conclusively rely on requisitions submitted in accordance with this Section 3.07 as complete authorization for the disbursements made pursuant thereto and shall not be responsible for any representations or certifications made therein.

Any moneys held in the Series 2020B Costs of Execution and Delivery Fund shall be invested by the Trustee in accordance with Article 6 hereof.

The Trustee shall transfer all moneys remaining in the Series 2020B Costs of Execution and Delivery Fund to the Series 2020B Base Rentals Fund (as directed in writing by the City Representative) upon the earlier to occur of: (a) 90 days after the execution and delivery of the Series 2020B Certificates, or (b) the final payment of all Costs of Execution and Delivery, as certified in writing by the City Representative.

Section 3.08 Rebate Fund. A special fund is hereby created and established to be held by the Trustee, and to be designated the “Series 2020B Certificates of Participation Rebate Fund” (the “Rebate Fund”). To the extent necessary to comply with the provisions of the Tax
Certificate, there shall be deposited into the Rebate Fund investment income on moneys in any fund created hereunder (except defeasance escrows). In addition to the deposit of investment income as provided herein, there shall be immediately deposited into the appropriate account in the Rebate Fund moneys received from the City as Additional Rentals for rebate payments pursuant to the Lease; moneys transferred to an account in the Rebate Fund from any other fund created hereunder pursuant to the provisions of this Section 3.08; and all other moneys received by the Trustee when accompanied by directions not inconsistent with the Lease or this Indenture that such moneys are to be paid into an account of the Rebate Fund. The City will cause (or direct the Trustee to cause) amounts on deposit in the Rebate Fund to be forwarded to the United States Treasury at the address and times provided in the Tax Certificate, and in the amounts calculated to ensure that the City’s rebate obligations are met, in accordance with the City’s tax covenants in Section 12.5 of the Lease. Amounts on deposit in the Rebate Fund shall not be subject to the lien of this Indenture to the extent that such amounts are required to be paid to the United States Treasury.

If, at any time after the Trustee receives instructions by the City to make any payments from the Rebate Fund, the Trustee determines that the moneys on deposit in the Rebate Fund are insufficient for the purposes thereof, and if the Trustee does not receive Additional Rentals or cannot transfer investment income so as to make the amount on deposit in the Rebate Fund sufficient for its purpose, upon prior written notice to the Initial Purchaser the Trustee may transfer moneys to an account in the Rebate Fund from the Series 2020B Base Rentals Fund. Any moneys so advanced shall be included in the City’s estimates of Additional Rentals for the ensuing Fiscal Year pursuant to the Lease and shall be repaid to the fund from which advanced upon payment to the Trustee of such Additional Rentals. Upon receipt by the Trustee of an opinion of nationally recognized bond counsel to the effect that the amount in an account of the Rebate Fund is in excess of the amount required to be therein pursuant to the provisions of the relevant Tax Certificate, such excess shall be transferred to the Series 2020B Base Rentals Fund.

The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness of any rebate report. The City may, at its own expense, retain an independent firm of professionals in such area to calculate such rebate amounts.

Notwithstanding the foregoing, in the event that the Lease has been terminated or the City has failed to comply with Section 12.5 thereof so as to make the amount on deposit in the appropriate account in Rebate Fund sufficient for its purpose, the Trustee shall make transfers of investment income or of moneys from the above-described funds in such combination as the Trustee shall determine to be in the best interests of the Series 2020B Certificate Owners.  

Section 3.09 Moneys to be Held in Trust. The ownership of the Series 2020A Base Rentals Fund, Series 2020A Costs of Execution and Delivery Fund and any accounts within such Fund and any other fund or account created hereunder related to the Series 2020A Taxable Certificates (except defeasance escrow account) shall be held in trust by the Trustee for the benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates.

The ownership of the Series 2020B Base Rentals Fund, the Series 2020B Costs of Execution and Delivery Fund, and any accounts within such Funds and any other fund or account created hereunder related to the Series 2020B Certificates (except defeasance escrow account)
shall be held in trust by the Trustee for the benefit of the Series 2020B Owners of the Series 2020B Certificates; provided that moneys in the Rebate Fund shall be used only for the specific purpose provided in Section 3.08 hereof.

Section 3.10 Nonpresentment of Certificates. Any moneys deposited with the Trustee pursuant to the terms of this Indenture to be used for the payment of principal of, premium, if any, or interest on any of the Series 2020A Taxable Certificates and remaining unclaimed by the Series 2020A Owners of such Series 2020A Taxable Certificates for a period of three (3) years after the final due date of any Series 2020A Taxable Certificate (during which three year period such moneys shall not be required to be invested by the Trustee), whether the final date of maturity or the final redemption date, shall, if the City shall not at the time be in default with respect to any of the terms and conditions contained in this Indenture, in the Series 2020A Taxable Certificates or under the Lease, be paid to the City and such Series 2020A Owners shall thereafter look only to the City for payment and then only (a) to the extent of the amounts so received by the City from the Trustee without interest thereon, (b) subject to the defense of any applicable statute of limitations and (c) subject to the City’s Appropriation of such payment. After payment by the Trustee of all of the foregoing, if any moneys are then remaining under this Indenture related to the Series 2020A Taxable Certificates or Series 2020A Revenues, the Trustee shall pay such moneys to the City as an overpayment of Series 2020A Base Rentals.

Any moneys deposited with the Trustee pursuant to the terms of this Indenture to be used for the payment of principal of, premium, if any, or interest on any of the Series 2020B Certificates and remaining unclaimed by the Series 2020B Owners of such Series 2020B Certificates for a period of three (3) years after the final due date of any Series 2020B Certificate (during which three year period such moneys shall not be required to be invested by the Trustee), whether the final date of maturity or the final redemption date, shall, if the City shall not at the time be in default with respect to any of the terms and conditions contained in this Indenture, in the Series 2020B Certificates or under the Lease, be paid to the City and such Series 2020B Owners shall thereafter look only to the City for payment and then only (a) to the extent of the amounts so received by the City from the Trustee without interest thereon, (b) subject to the defense of any applicable statute of limitations and (c) subject to the City’s Appropriation of such payment. After payment by the Trustee of all of the foregoing, if any moneys are then remaining under this Indenture related to the Series 2020B Certificates, Series 2020B Revenues or otherwise, the Trustee shall pay such moneys to the City as an overpayment of Series 2020B Base Rentals.

Section 3.11 Repayment to the City from the Trustee. After payment in full of the Series 2020A Taxable Certificates, the interest thereon, any premium thereon, the fees, charges and expenses of the Trustee related to the Series 2020A Taxable Certificates, any amounts remaining in the Series 2020A Base Rentals Fund, the Series 2020A Costs of Execution and Delivery Fund, or otherwise held by the Trustee related to the Series 2020A Taxable Certificates pursuant hereto shall be paid to the City upon the expiration or sooner termination of the Lease Term as a return of an overpayment of Series 2020A Base Rentals.

After payment in full of the Series 2020B Certificates, the interest thereon, any premium thereon, the fees, charges and expenses of the Trustee, any amount required to be deposited in the Rebate Fund, and all other amounts required to be paid hereunder and under the
Lease, any amounts remaining in the Series 2020B Base Rentals Fund, the Series 2020B Costs of Execution and Delivery Fund, or otherwise held by the Trustee pursuant hereto (but excluding the Rebate Fund and any defeasance escrow accounts) shall be paid to the City upon the expiration or sooner termination of the Lease Term as a return of an overpayment of Series 2020B Base Rentals. After payment of all amounts due and owing the federal government held in the Rebate Fund, if any, any excess amounts in the Rebate Fund shall be paid to the City.

(End of Article 3.)
ARTICLE 4
REDEMPTION OF SERIES 2020A TAXABLE CERTIFICATES

Section 4.01 Optional Redemption. The Series 2020A Taxable Certificates shall be subject to redemption prior to their maturity date at the option of the City, in whole or in part, on any date and in any amount, at a redemption price equal to the principal amount of the Series 2020A Taxable Certificates so redeemed plus accrued interest to the redemption date without a premium.

Any partial optional redemption shall, at the option of the City, be applied (a) pro rata against the principal installment schedule in each year, (b) in inverse order of principal installment schedule, or (c) as otherwise determined by the City. Upon any such redemption in part, the City shall provide the Initial Purchaser and the Trustee with a revised principal installment schedule and the Base Rental Schedule in the Lease shall be correspondingly revised. The Trustee may conclusively rely upon such revised Base Rentals Schedule and has no duty to make an independent investigation in connection therewith.

Section 4.02 Mandatory Sinking Fund Redemption. The principal amount of the Series 2020A Taxable Certificates is payable in installments as further set forth in Section 2.02 hereof.

Section 4.03 Extraordinary Mandatory Redemption. If the Lease is terminated by reason of the occurrence of:

(a) an Event of Non-appropriation, or

(b) an Event of Lease Default, or

(c) in the event that (1) the Leased Property is damaged or destroyed in whole or in part by fire or other casualty, or (2) title to, or the temporary or permanent use of, the Leased Property has been taken by eminent domain by any governmental body or (3) breach of warranty or any material defect with respect to the Leased Property becomes apparent or (4) title to or the use of all or any part of the Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds of any insurance, performance bond or condemnation award, or Net Proceeds received as a consequence of defaults under contracts relating to the Leased Property, made available by reason of such occurrences, shall be insufficient to pay in full, the cost of repairing or replacing the Leased Property, and the City does not appropriate sufficient funds for such purpose or cause the Lease to be amended in order that Additional Series 2020A Certificates may be executed and delivered pursuant to this Indenture for such purpose, then the Series 2020A Taxable Certificates shall be required to be called for redemption, except as hereinafter provided. If called for redemption, as described herein, the Series 2020A Taxable Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the Lease, otherwise received and other moneys then available under this Indenture are
insufficient to pay in full the principal of and accrued interest on all Outstanding Series 2020A Taxable Certificates, the Trustee may, with the prior written consent of the Initial Purchaser, or at the request of the Series 2020A Owners of a majority in aggregate principal amount of the Series 2020A Taxable Certificates Outstanding, and upon indemnification as provided in Section 10.01(d) of this Indenture, without any further demand or notice, shall, exercise all or any combination of Lease Remedies as provided in the Lease and the Series 2020A Taxable Certificates shall be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, then on hand and being held by the Trustee for the Series 2020A Owners of the Series 2020A Taxable Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem the Series 2020A Taxable Certificates and Series 2020B Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys shall be allocated proportionately among the Series 2020A Taxable Certificates and Series 2020B Certificates, according to the principal amount thereof Outstanding. In the event that such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are in excess of the amount required to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such excess moneys shall be paid to the City as an overpayment of the Purchase Option Price. Prior to any distribution of the Net Proceeds resulting from the exercise of any of such remedies, the Trustee shall be entitled to payment of its reasonable and customary fees for all services rendered in connection with such disposition, as well as reimbursement for all reasonable costs and expenses, including attorneys’ fees, incurred thereby, from proceeds resulting from the exercise of such Lease Remedies and other moneys.

IF THE SERIES 2020A TAXABLE CERTIFICATES ARE REDEEMED PURSUANT TO THIS SECTION 4.03 FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT SHALL BE DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE RELATED SERIES 2020A TAXABLE CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO SERIES 2020A OWNER OF SUCH SERIES 2020A TAXABLE CERTIFICATES SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE CITY.

Notwithstanding the foregoing or any other provisions to the contrary in the Lease or this Indenture, so long as the Initial Purchaser is the sole Series 2020A Owner of the Series 2020A Taxable Certificates, the Series 2020A Taxable Certificates shall not be subject to extraordinary mandatory redemption under this Section 4.03 and the Trustee may not apply any Net Proceeds or other available moneys to the redemption of the Series 2020A Taxable Certificates prior to their maturity date or mandatory sinking fund redemption dates without the prior written consent of the Initial Purchaser. In the absence of such consent, the Trustee shall apply the Net Proceeds to the payment of the principal of and interest on the Series 2020A Taxable Certificates on the regularly scheduled maturity date thereof, mandatory sinking fund redemption dates thereof, and interest payment dates of the Series 2020A Taxable Certificates.

Section 4.04 Partial Optional Redemption. Upon surrender of any Series 2020A Taxable Certificate for redemption in part, the Trustee shall execute and deliver to the Series

**Section 4.05  Notice of Redemption.** Whenever Series 2020A Taxable Certificates are to be redeemed under any provision of this Indenture, the Trustee shall, not less than thirty (30) and not more than sixty (60) days prior to the redemption date (except for Extraordinary Mandatory Redemption under Section 4.03, which notice shall be immediate), mail notice of redemption to all Series 2020A Owners of all Series 2020A Taxable Certificates to be redeemed at their registered addresses, by first class mail, postage prepaid, or in the event that the Series 2020A Taxable Certificates to be redeemed are registered in the name of the Initial Purchaser, such notice may, in the alternative, be given by electronic means if so directed by the Initial Purchaser. In addition, the Trustee shall at all reasonable times make available to the City and any Series 2020A Taxable Certificate Owner information as to Series 2020A Taxable Certificates which have been redeemed or called for redemption. Any notice of redemption shall:

(a) identify the Series 2020A Taxable Certificates to be redeemed;
(b) specify the redemption date and the redemption price;
(c) in the event the redemption is occurring under Section 4.01 hereof, state that the City has given notice of its intent to exercise its option to purchase or prepay Series 2020A Base Rentals under the Lease;
(d) state that such redemption is subject to the deposit of the funds related to such option by the City on or before the stated redemption date; and
(e) state that on the redemption date the Series 2020A Taxable Certificates called for redemption will be payable at the principal corporate trust office of the Trustee and that from that date interest will cease to accrue.

Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Series 2020A Taxable Certificates 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 Series 2020A Taxable Certificates called for redemption in the same manner as the original redemption notice was given.

**Section 4.06  Redemption Payments.** On or prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay the Series 2020A Taxable Certificates called for redemption, together with accrued interest thereon to the redemption date, and any required premium. Upon the giving of notice and the deposit of such funds as may be available for redemption pursuant to this Indenture (which, in certain cases as set forth above may be less than the full principal amount of the Outstanding Series 2020A Taxable Certificates and accrued interest thereon to the redemption date), interest on the Series 2020A Taxable Certificates or portions thereof thus called shall no longer accrue after the date fixed for redemption. Payments
in full redemption shall be accompanied by a written designation prepared by the Trustee stating the portions of the payment representing principal, interest, and premium, if any.

(End of Article 4.)
ARTICLE 5
REDEMPTION OF SERIES 2020B CERTIFICATES

Section 5.01 Optional Redemption. The Series 2020B Certificates shall be subject to redemption prior to their maturity date at the option of the City, in whole or in part, on any date and in any amount, at a redemption price equal to the principal amount of the Series 2020B Certificates so redeemed plus accrued interest to the redemption date without a premium.

Any partial optional redemption shall, at the option of the City, be applied (a) pro rata against the principal installment schedule in each year, (b) in inverse order of principal installment schedule, or (c) as otherwise determined by the City. Upon any such redemption in part, the City shall provide the Initial Purchaser and the Trustee with a revised principal installment schedule and the Base Rental Schedule in the Lease shall be correspondingly revised. The Trustee may conclusively rely upon such revised Base Rentals Schedule and has no duty to make an independent investigation in connection therewith.

Section 5.02 Mandatory Sinking Fund Redemption. The principal amount of the Series 2020B Certificates is payable in installments as further set forth in Section 2.02 hereof.

Section 5.03 Extraordinary Mandatory Redemption. If the Lease is terminated by reason of the occurrence of:

(a) an Event of Nonappropriation, or

(b) an Event of Lease Default, or

(c) in the event that (1) the Leased Property is damaged or destroyed in whole or in part by fire or other casualty, or (2) title to, or the temporary or permanent use of, the Leased Property has been taken by eminent domain by any governmental body or (3) breach of warranty or any material defect with respect to the Leased Property becomes apparent or (4) title to or the use of all or any part of the Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds of any insurance, performance bond or condemnation award, or Net Proceeds received as a consequence of defaults under contracts relating to the Leased Property, made available by reason of such occurrences, shall be insufficient to pay in full, the cost of repairing or replacing the Leased Property, and the City does not appropriate sufficient funds for such purpose or cause the Lease to be amended in order that Additional Series 2020B Certificates may be executed and delivered pursuant to this Indenture for such purpose, then the Series 2020B Certificates shall be required to be called for redemption, except as hereinafter provided. If called for redemption, as described herein, the Series 2020B Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the Lease, otherwise received and other moneys then available under this Indenture are insufficient to pay in full the principal of and accrued interest on all Outstanding Series 2020B Certificates, the Trustee may, with the prior written consent of the Initial Purchaser, or at the
request of the Series 2020B Owners of a majority in aggregate principal amount of the Series 2020B Certificates Outstanding, and upon indemnification as provided in Section 10.01(d) of this Indenture, without any further demand or notice, shall, exercise all or any combination of Lease Remedies as provided in the Lease and the Series 2020B Certificates shall be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, then on hand and being held by the Trustee for the Series 2020B Owners of the Series 2020B Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem the Series 2020A Taxable Certificates and Series 2020B Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys shall be allocated proportionately among the Series 2020A Taxable Certificates and Series 2020B Certificates, according to the principal amount thereof Outstanding. In the event that such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are in excess of the amount required to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such excess moneys shall be paid to the City as an overpayment of the Purchase Option Price. Prior to any distribution of the Net Proceeds resulting from the exercise of any of such remedies, the Trustee shall be entitled to payment of its reasonable and customary fees for all services rendered in connection with such disposition, as well as reimbursement for all reasonable costs and expenses, including attorneys’ fees, incurred thereby, from proceeds resulting from the exercise of such Lease Remedies and other moneys.

IF THE SERIES 2020B CERTIFICATES ARE REDEEMED PURSUANT TO THIS SECTION 5.03 FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT SHALL BE DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE RELATED SERIES 2020B CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO SERIES 2020B OWNER OF SUCH SERIES 2020B CERTIFICATES SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE CITY.

Notwithstanding the foregoing or any other provisions to the contrary in the Lease or this Indenture, so long as the Initial Purchaser is the sole Series 2020B Owner of the Series 2020B Certificates, the Series 2020B Certificates shall not be subject to extraordinary mandatory redemption under this Section 5.03 and the Trustee may not apply any Net Proceeds or other available moneys to the redemption of the Series 2020B Certificates prior to their maturity date or mandatory sinking fund redemption dates without the prior written consent of the Initial Purchaser. In the absence of such consent, the Trustee shall apply the Net Proceeds to the payment of the principal of and interest on the Series 2020B Certificates on the regularly scheduled maturity date thereof, mandatory sinking fund redemption dates thereof, and interest payment dates of the Series 2020B Certificates.

**Section 5.04 Partial Optional Redemption.** Upon surrender of any Series 2020B Certificate for redemption in part, the Trustee shall execute and deliver to the Series 2020B Owner thereof, at no expense of the Series 2020B Owner, a new Series 2020B Certificate or Series 2020B Certificates of Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Series 2020B Certificates so surrendered.
Section 5.05  Notice of Redemption.  Whenever Series 2020B Certificates are to be redeemed under any provision of this Indenture, the Trustee shall, not less than thirty (30) and not more than sixty (60) days prior to the redemption date (except for Extraordinary Mandatory Redemption under Section 5.03, which notice shall be immediate), mail notice of redemption to all Series 2020B Owners of all Series 2020B Certificates to be redeemed at their registered addresses, by first class mail, postage prepaid, or in the event that the Series 2020B Certificates to be redeemed are registered in the name of the Initial Purchaser, such notice may, in the alternative, be given by electronic means if so directed by the Initial Purchaser.  In addition, the Trustee shall at all reasonable times make available to the City and any Series 2020B Certificate Owner information as to Series 2020B Certificates which have been redeemed or called for redemption.  Any notice of redemption shall:

(a) (1) identify the Series 2020B Certificates to be redeemed;

(b) (2) specify the redemption date and the redemption price;

(c) (3) in the event the redemption is occurring under Section 5.01 hereof, state that the City has given notice of its intent to exercise its option to purchase or prepay Series 2020B Base Rentals under the Lease;

(d) (4) state that such redemption is subject to the deposit of the funds related to such option by the City on or before the stated redemption date; and

(e) (5) state that on the redemption date the Series 2020B Certificates called for redemption will be payable at the principal corporate trust office of the Trustee and that from that date interest will cease to accrue.

Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Trustee of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Series 2020B Certificates 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 Series 2020B Certificates called for redemption in the same manner as the original redemption notice was given.

Section 5.06  Redemption Payments.  On or prior to the date fixed for redemption, funds shall be deposited with the Trustee to pay the Series 2020B Certificates called for redemption, together with accrued interest thereon to the redemption date, and any required premium.  Upon the giving of notice and the deposit of such funds as may be available for redemption pursuant to this Indenture (which, in certain cases as set forth above may be less than the full principal amount of the Outstanding Series 2020B Certificates and accrued interest thereon to the redemption date), interest on the Series 2020B Certificates or portions thereof thus called shall no longer accrue after the date fixed for redemption.  Payments in full redemption shall be accompanied by a written designation prepared by the Trustee stating the portions of the payment representing principal, interest, and premium, if any.
ARTICLE 6
INVESTMENTS

Section 6.01 Investment of Moneys. The Trustee shall be entitled to assume that any investment, which at the time of purchase is a Permitted Investment, remains a Permitted Investment absent a receipt of written notice or information to the contrary. All moneys held as part of the Series 2020A Base Rentals Fund, the Series 2020A Costs of Execution and Delivery Fund, the Series 2020B Base Rentals Fund, the Series 2020B Costs of Execution and Delivery Fund, the Rebate Fund, or any other fund or account created hereunder (other than any defeasance escrow accounts) shall be deposited or invested and reinvested by the Trustee, at the written direction of the City, in Permitted Investments; provided, however, that the Trustee shall make no deposits or investments of any fund or account created hereunder which shall interfere with or prevent withdrawals for the purpose for which the moneys so deposited or invested were placed in trust hereunder or for payment of the Certificates at or before maturity or interest thereon as required hereunder. The Trustee may make any and all such deposits or investments through its own investment department or that of its affiliates or subsidiaries and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Deposits or investments shall at all times be a part of the fund or account from which the moneys used to acquire such deposits or investments shall have come, and all income and profits on such deposits or investments shall be credited to, and losses thereon shall be charged against, such fund or account. Any interest or other gain from the Series 2020B Base Rentals Fund or any other fund or account created hereunder related to the Series 2020B Certificates (except defeasance escrows) shall be deposited to the Rebate Fund to the extent required and permitted pursuant to Section 3.08 hereof. The Trustee shall sell and reduce to cash a sufficient amount of such deposits or investments whenever the cash balance in the Series 2020A Base Rentals Fund or Series 2020B Base Rentals Fund is insufficient to pay the principal of and interest on the Series 2020A Taxable Certificates or Series 2020B Certificates, respectively, when due, or whenever the cash balance in any fund or account created hereunder is insufficient to satisfy the purposes of such fund or account.

The Trustee hereby agrees to secure and retain the documentation with respect to investments of moneys in the funds and accounts created under this Indenture as required by and as described in the Tax Certificate.

The Trustee may rely upon the City’s written direction as to both the suitability and the legality of the directed investments, and shall have no liability or responsibility for any loss or for failure to maximize earnings resulting from any investment made in accordance with the provisions of this Article 6.

The Trustee may transfer investments from any Fund or Account to any other Fund or Account in lieu of cash when a transfer is required or permitted by the provisions of this Indenture.

If the Trustee is not provided written directions concerning investment of moneys held in the Funds, the Trustee shall invest in a money market fund available to the Trustee which qualifies as a Permitted Investment, provided such investment matures or are subject to redemption prior to the date such funds will be needed. Unless otherwise confirmed or directed
in writing, an account statement delivered periodically by the Trustee to the City shall confirm that the investment transactions identified therein accurately reflect the investment directions of the City, unless the City notifies the Trustee in writing to the contrary within thirty (30) days of the date of delivery of such statement.

It is specifically provided herein that the Trustee may purchase or invest in shares of any investment company provided that such investments are Permitted Investments at the time of such investment and that such investments: (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Trustee may provide advisory, administrative, custodial or other services for compensation); (ii) invests substantially all of its assets in short term high quality money market instruments, limited to obligations issued or guaranteed by the United States, or repurchase agreements backed by such obligations; and (iii) maintains a constant asset value per share.

The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments.

Section 6.02 Method of Valuation and Frequency of Valuation. In computing the amount in any fund or account (except defeasance escrows), Permitted Investments shall be valued at the market price, exclusive of accrued interest. With respect to all funds and accounts (except defeasance escrows, and except as otherwise provided in the Tax Certificate with respect to the Rebate Fund), valuation shall occur as of December 31 of each year.

(End of Article 6.)
ARTICLE 7
DEFEASANCE AND DISCHARGE OF CERTIFICATES

Section 7.01  Defeasance and Discharge.

(a) When the principal or redemption price (as the case may be) of, and interest on, all the Series 2020A Taxable Certificates, Additional Series 2020A Certificates, if any, Series 2020B Certificates and Additional Series 2020B Certificates, if any, executed and delivered hereunder have been paid or provision has been made for payment of the same (or, in the case of redemption of the Series 2020A Taxable Certificates pursuant to Section 4.03 of this Indenture, if full or partial payment of the Series 2020A Taxable Certificates and interest thereon is made as provided in Section 4.03 of this Indenture, and/or, in the case of redemption of the Series 2020B Certificates pursuant to Section 5.03 of this Indenture, if full or partial payment of the Series 2020B Certificates and interest thereon is made as provided in Section 5.03 of this Indenture), together with all other sums payable hereunder relating to the Series 2020A Taxable Certificates, Additional Series 2020A Certificates, if any, Series 2020B Certificates and Additional Series 2020B Certificates, if any (including the fees and expenses of the Trustee), then the right, title and interest of the Trustee in and to the Series 2020A Trust Estate and the Series 2020B Trust Estate, and all covenants, agreements and other obligations of the City to the Trustee and to the Series 2020A Owners and Series 2020B Owners shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall (1) release the Site Lease and transfer and convey the Trustee’s leasehold interest in the Leased Property to the City as provided by Article 13 of the Lease, (2) release the Lease and this Indenture, (3) execute such documents to evidence such releases and conveyances as may be reasonably required by the City, and (4) turn over to the City all balances then held by the Trustee in the Funds or Accounts hereunder except for amounts held the Rebate Fund and in any defeasance escrow accounts. If payment or provision therefor is made with respect to less than all of the Series 2020A Taxable Certificates, Additional Series 2020A Certificates, if any, Series 2020B Certificates and Additional Series 2020B Certificates, if any, the particular Certificates or any Additional Certificates (or portion thereof) for which provision for payment shall have been considered made shall be selected by the City.

(b) Provision for the payment of all or a portion of the Series 2020A Taxable Certificates and any Additional Series 2020A Certificates shall be deemed to have been made when the Trustee holds in the Series 2020A Base Rentals Fund, or there is on deposit in a separate escrow account or trust account held by a trust bank or escrow agent, either moneys in an amount which shall be sufficient, and/or Federal Securities, 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, concurrently deposited in trust, shall be sufficient to pay when due the principal of, premium, if any, and interest due and to become due on said Series 2020A Taxable Certificates or Additional Series 2020A Certificates on and prior to the redemption date or maturity date thereof, as the case may be. Provision for the payment of all or a portion of the Series 2020B Certificates and any Additional Series 2020B Certificates shall be deemed to have been made when the Trustee holds in the Series 2020B Base Rentals Fund, or there is on deposit in a separate escrow account or trust account held by a trust bank or escrow agent, either moneys in an amount which shall be sufficient, and/or Federal Securities, 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, concurrently deposited in trust, shall be sufficient to pay when due the principal of, premium, if any, and interest due and to become due on said Series 2020B Certificates or Additional Series 2020B Certificates on and prior to the redemption date or maturity date thereof, as the case may be. Prior to any discharge of this Indenture pursuant to this Section or the defeasance of any Series 2020A Taxable Certificates, Additional Series 2020A Certificates, if any, Series 2020B Certificates and Additional Series 2020B Certificates, if any, pursuant to this Section becoming effective, there shall have been delivered to the Trustee and the Initial Purchaser a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the applicable Certificates or Additional Certificates in full on the maturity or redemption date thereof unless fully funded with cash.

(c) Neither the Federal Securities nor the moneys deposited in the Series 2020A Base Rentals Fund, Series 2020B Base Rentals Fund or separate escrow account or trust account pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be segregated and held in trust for, the payment of the principal of, premium, if any, and interest on the Series 2020A Taxable Certificates, Additional Series 2020A Certificates, if any, Series 2020B Certificates and Additional Series 2020B Certificates, if any, or portions thereof, respectively; provided, however, that other Federal Securities and moneys may be substituted for the Federal Securities and moneys so deposited prior to their use for such purpose.

(d) Whenever moneys or Federal Securities shall be deposited with the Trustee or a separate escrow agent for the payment or redemption of any Series 2020A Taxable Certificates or Series 2020B Certificates more than forty-five (45) days prior to the date that such Certificates are to mature or be redeemed, the Trustee shall mail a notice stating that such moneys or Federal Securities have been deposited and identifying the Series 2020A Taxable Certificates or Series 2020B Certificates for the payment of which such moneys or Federal Securities are being held, to all Series 2020A Owners of Series 2020A Taxable Certificates or all Series 2020B Owners of Series 2020B Certificates, as applicable, for the payment of which such moneys or Federal Securities are being held, or if such Certificates are registered in the name of the Initial Purchaser, such notice may be sent, in the alternative, by electronic means if so directed by the Initial Purchaser.

(e) At such time as any Certificate or Additional Certificate shall be deemed paid as provided in (b) above, such Certificate or Additional Certificate shall no longer be secured by or entitled to the benefits of this Indenture, the Lease or the Site Lease, except for the purpose of exchange and transfer and any payment from such cash or Federal Securities deposited with the Trustee.

(End of Article 7.)
ARTICLE 8
SERIES 2020A EVENTS OF INDENTURE DEFAULT AND REMEDIES

Section 8.01  Series 2020A Events of Indenture Default Defined. Each of the following shall be a Series 2020A Event of Indenture Default:

(a) failure to pay the principal of or premium, if any, on any Series 2020A Taxable Certificate when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption;

(b) failure to pay any installment of interest on any Series 2020A Taxable Certificate when the same shall become due and payable;

(c) the occurrence of an Event of Nonappropriation; or

(d) the occurrence of an Event of Lease Default.

Upon the occurrence of any Series 2020A Event of Indenture Default of which the Trustee is required to take notice or receive notice pursuant to Section 10.05, the Trustee shall give notice thereof to the Series 2020A Owners of the Series 2020A Taxable Certificates. The Trustee shall waive any Event of Nonappropriation which is cured by the City within thirty (30) days of the receipt of notice by the Trustee as provided by Section 7.4(b) of the Lease, by a duly effected Appropriation to pay all Series 2020A Base Rentals, and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term. The Trustee may, with the prior written consent of the Initial Purchaser, waive any Event of Nonappropriation which is cured by the City within a reasonable time with the procedure described in the preceding sentence.

Section 8.02  Remedies  If any Series 2020A Event of Indenture Default occurs and is continuing, the Trustee may, with the prior written consent of the Initial Purchaser, or shall at the request of the Series 2020A Owners of a majority in aggregate principal amount of the Series 2020A Taxable Certificates then Outstanding and upon indemnification as provided in Section 10.01(d) hereof, without any further demand or notice, enforce for the benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates each and every right of the Trustee as the lessee under the Site Lease and the lessor under the Lease. In exercising such rights of the Trustee and the rights given the Trustee under this Article 8 and Article 10, the Trustee may, with the prior written consent of the Initial Purchaser, or shall at the request of the Series 2020A Owners of a majority in aggregate principal amount of the Series 2020A Taxable Certificates then Outstanding and upon indemnification as provided in Section 10.01(d) hereof, take such action as, in the judgment of the Trustee, upon advice of its counsel, would best serve the interests of the Series 2020A Owners of the Series 2020A Taxable Certificates, including calling the Series 2020A Taxable Certificates for redemption prior to their maturity in the manner and subject to the provisions of Article 4 hereof and exercising the Lease Remedies provided in the Lease, provided however that such action shall not include consequential or punitive damages against the City.
**Section 8.03  Legal Proceedings by Trustee.** If any Series 2020A Event of Indenture Default has occurred and is continuing, the Trustee in its discretion may, with the prior written consent of the Initial Purchaser, and upon the written request of the Series 2020A Owners of a majority in aggregate principal amount of the Series 2020A Taxable Certificates Outstanding and receipt of indemnity to its satisfaction, shall, in its capacity as Trustee hereunder:

(a) By mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Series 2020A Owners of the Series 2020A Taxable Certificates, including enforcing any rights of the Trustee in respect of the Trustee’s leasehold interests in the Leased Property including its rights as lessor under the Lease and as lessee under the Site Lease and its rights under this Indenture and to enforce the provisions of this Indenture and any collateral rights hereunder for the benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates; or

(b) By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Series 2020A Owners of the Series 2020A Taxable Certificates; or

(c) Take any other action at law or in equity that may appear necessary or desirable to enforce the rights of the Series 2020A Owners of the Series 2020A Taxable Certificates.

Notwithstanding the foregoing provisions or any other provisions in the Site Lease, the Lease or this Indenture, the Trustee shall not take any remedial action under the Site Lease, the Lease or this Indenture, including without limitation this Section 8.03, without the prior written consent and direction of the Initial Purchaser. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in this Indenture.

**Section 8.04  Discontinuance of Proceedings by Trustee.** If any proceeding commenced by the Trustee on account of any Series 2020A Event of Indenture Default is discontinued or is determined adversely to the Trustee, then the Trustee and the Series 2020A Owners of the Series 2020A Taxable Certificates shall be restored to their former positions and rights hereunder as though no such proceeding had been commenced.

**Section 8.05  Series 2020A Owners of Series 2020A Taxable Certificates May Direct Proceedings.** The Initial Purchaser or the Series 2020A Owners of the Series 2020A Taxable Certificates of a majority in aggregate principal amount of Outstanding Series 2020A Taxable Certificates shall have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such direction shall not be in conflict with any rule of law or with this Indenture or unduly prejudice the rights of minority Series 2020A Owners of the Series 2020A Taxable Certificates.

**Section 8.06  Limitations on Actions by Series 2020A Owners of Series 2020A Taxable Certificates.** No Series 2020A Owners of the Series 2020A Taxable Certificates shall have any right to pursue any remedy hereunder unless:

(a) the Trustee shall have been given written notice of a default pursuant to Section 10.05, and such default becomes a Series 2020A Event of Indenture Default;
the Series 2020A Owners of the Series 2020A Taxable Certificates of at least a majority in aggregate principal amount of all Outstanding Series 2020A Taxable Certificates shall have requested the Trustee, in writing, to exercise the powers hereinabove granted to or pursue such remedy in its or their name or names;

(c) the Trustee shall have been offered indemnity satisfactory to it as provided in Section 10.01(d) hereof; and

(d) the Trustee shall have failed to comply with such request within a reasonable time.

Notwithstanding the foregoing provisions of this Section or any other provision of this Indenture, the obligation of the Trustee shall be absolute and unconditional to pay hereunder, but solely from the Series 2020A Revenues pledged under this Indenture, the principal of, premium, if any, and interest on the Series 2020A Taxable Certificates to the respective Series 2020A Owners thereof on the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Series 2020A Owners to enforce such payment.

Section 8.07 Trustee May Enforce Rights Without Possession of Series 2020A Taxable Certificates. All rights under this Indenture and the Series 2020A Taxable Certificates may be enforced by the Trustee without the possession of any Series 2020A Taxable Certificates or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates.

Section 8.08 Remedies Not Exclusive. Subject to any express limitations contained herein, no remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.09 Delays and Omissions Not to Impair Rights. No delays or omissions in respect of exercising any right or power accruing upon any default shall impair such right or power or be a waiver of such default, and every remedy given by this Article 8 may be exercised from time to time and as often as may be deemed expedient.

Section 8.10 Application of Moneys in Series 2020A Event of Indenture Default. Any moneys received, collected or held by the Trustee following a Series 2020A Event of Indenture Default and any other moneys held as part of the Series 2020A Trust Estate shall be applied in the following order:

(a) To the payment of the reasonable costs and expenses of the proceedings resulting in the collection of such moneys and all fees, costs, expenses, liabilities and advances incurred or made by the Trustee, including, but not limited to, its Counsel fees, expenses and disbursements of the Trustee, and the payment of its reasonable compensation, including any amounts remaining unpaid;
(b) To the payment of interest then owing on the Series 2020A Taxable Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of interest ratably, without preference or priority of one Series 2020A Taxable Certificate over another or of any installment of interest over any other installment of interest; and

(c) To the payment of principal or redemption price (as the case may be) then owing on the Outstanding Series 2020A Taxable Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or redemption price ratably, without preference or priority of one Series 2020A Taxable Certificate over another.

The surplus, if any, shall be paid to the City.

(End of Article 8.)
ARTICLE 9

Section 9.01 Series 2020B Events of Indenture Default Defined. Each of the following shall be a Series 2020B Event of Indenture Default:

(a) failure to pay the principal of or premium, if any, on any Series 2020B Certificate when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption;

(b) failure to pay any installment of interest on any Series 2020B Certificate when the same shall become due and payable;

(c) the occurrence of an Event of Nonappropriation;

(d) the occurrence of an Event of Lease Default.

Upon the occurrence of any Series 2020B Event of Indenture Default of which the Trustee is required to take notice or receive notice pursuant to Section 10.05, the Trustee shall give notice thereof to the Series 2020B Owners of the Series 2020B Certificates. The Trustee shall waive any Event of Nonappropriation which is cured by the City within thirty (30) days of the receipt of notice by the Trustee as provided by Section 7.4(b) of the Lease, by a duly effected Appropriation to pay all Series 2020B Base Rentals, and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term. The Trustee may, with the prior written consent of the Initial Purchaser, waive any Event of Nonappropriation which is cured by the City within a reasonable time with the procedure described in the preceding sentence.

Section 9.02 Remedies. If any Series 2020B Event of Indenture Default occurs and is continuing, the Trustee may, with the prior written consent of the Initial Purchaser, or shall at the request of the Series 2020B Owners of a majority in aggregate principal amount of the Series 2020B Certificates then Outstanding and upon indemnification as provided in Section 10.01(d) hereof, without any further demand or notice, enforce for the benefit of the Series 2020B Owners of the Series 2020B Certificates each and every right of the Trustee as the lessee under the Site Lease and the lessor under the Lease. In exercising such rights of the Trustee and the rights given the Trustee under this Article 9 and Article 10, the Trustee may, with the prior written consent of the Initial Purchaser, or shall at the request of the Series 2020B Owners of a majority in aggregate principal amount of the Series 2020B Certificates then Outstanding and upon indemnification as provided in Section 10.01(d) hereof, take such action as, in the judgment of the Trustee, upon advice of its counsel, would best serve the interests of the Series 2020B Owners of the Series 2020B Certificates, including calling the Series 2020B Certificates for redemption prior to their maturity in the manner and subject to the provisions of Article 5 hereof and exercising the Lease Remedies provided in the Lease, provided however that such action shall not include consequential or punitive damages against the City.

Section 9.03 Legal Proceedings by Trustee. If any Series 2020B Event of Indenture Default has occurred and is continuing, the Trustee in its discretion may, with the prior written consent of the Initial Purchaser, and upon the written request of the Series 2020B Owners of a
majority in aggregate principal amount of the Series 2020B Certificates Outstanding and receipt of indemnity to its satisfaction, shall, in its capacity as Trustee hereunder:

(a) By mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Series 2020B Owners of the Series 2020B Certificates, including enforcing any rights of the Trustee in respect of the Trustee’s leasehold interests in the Leased Property including its rights as lessor under the Lease and as lessee under the Site Lease and its rights under this Indenture and to enforce the provisions of this Indenture and any collateral rights hereunder for the benefit of the Series 2020B Owners of the Series 2020B Certificates; or

(b) By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Series 2020B Owners of the Series 2020B Certificates; or

(c) Take any other action at law or in equity that may appear necessary or desirable to enforce the rights of the Series 2020B Owners of the Series 2020B Certificates.

Notwithstanding the foregoing provisions or any other provisions in the Site Lease, the Lease or this Indenture, the Trustee shall not take any remedial action under the Site Lease, the Lease or this Indenture, including without limitation this Section 9.03, without the prior written consent and direction of the Initial Purchaser. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in this Indenture.

Section 9.04 Discontinuance of Proceedings by Trustee. If any proceeding commenced by the Trustee on account of any Series 2020B Event of Indenture Default is discontinued or is determined adversely to the Trustee, then the Trustee and the Series 2020B Owners of the Series 2020B Certificates shall be restored to their former positions and rights hereunder as though no such proceeding had been commenced.

Section 9.05 Series 2020B Owners of Series 2020B Certificates May Direct Proceedings. The Initial Purchaser or the Series 2020B Owners of the Series 2020B Certificates of a majority in aggregate principal amount of Outstanding Series 2020B Certificates shall have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such direction shall not be in conflict with any rule of law or with this Indenture or unduly prejudice the rights of minority Series 2020B Owners of the Series 2020B Certificates.

Section 9.06 Limitations on Actions by Series 2020B Owners of Series 2020B Certificates. No Series 2020B Owners of the Series 2020B Certificates shall have any right to pursue any remedy hereunder unless:

(a) the Trustee shall have been given written notice of a default pursuant to Section 10.05, and such default becomes a Series 2020B Event of Indenture Default;

(b) the Series 2020B Owners of the Series 2020B Certificates of at least a majority in aggregate principal amount of all Outstanding Series 2020B Certificates shall have requested the Trustee, in writing, to exercise the powers hereinabove granted to or pursue such remedy in its or their name or names;
(c) the Trustee shall have been offered indemnity satisfactory to it as provided in Section 10.01(d) hereof; and

(d) the Trustee shall have failed to comply with such request within a reasonable time.

Notwithstanding the foregoing provisions of this Section or any other provision of this Indenture, the obligation of the Trustee shall be absolute and unconditional to pay hereunder, but solely from the Series 2020B Revenues pledged under this Indenture, the principal of, premium, if any, and interest on the Series 2020B Certificates to the respective Series 2020B Owners thereof on the respective due dates thereof, and nothing herein shall affect or impair the right of action, which is absolute and unconditional, of such Series 2020B Owners to enforce such payment.

Section 9.07 Trustee May Enforce Rights Without Possession of Series 2020B Certificates. All rights under this Indenture and the Series 2020B Certificates may be enforced by the Trustee without the possession of any Series 2020B Certificates or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Series 2020B Owners of the Series 2020B Certificates.

Section 9.08 Remedies Not Exclusive. Subject to any express limitations contained herein, no remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 9.09 Delays and Omissions Not to Impair Rights. No delays or omissions in respect of exercising any right or power accruing upon any default shall impair such right or power or be a waiver of such default, and every remedy given by this Article 9 may be exercised from time to time and as often as may be deemed expedient.

Section 9.10 Application of Moneys in Series 2020B Event of Indenture Default. Any moneys received, collected or held by the Trustee following a Series 2020B Event of Indenture Default and any other moneys held as part of the Series 2020B Trust Estate (except for moneys held in the Rebate Fund and any defeasance escrow account) shall be applied in the following order:

(a) To the payment of the reasonable costs and expenses of the proceedings resulting in the collection of such moneys and all fees, costs, expenses, liabilities and advances incurred or made by the Trustee, including, but not limited to, its Counsel fees, expenses and disbursements of the Trustee, and the payment of its reasonable compensation, including any amounts remaining unpaid;

(b) To the payment of interest then owing on the Series 2020B Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of interest ratably, without preference or priority of one Series 2020B Certificate over another or of any installment of interest over any other installment of interest; and
(c) To the payment of principal or redemption price (as the case may be) then owing on the Outstanding Series 2020B Certificates, and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or redemption price ratably, without preference or priority of one Series 2020B Certificate over another.

The surplus, if any, shall be paid to the City.

*(End of Article 9.)*
ARTICLE 10
CONCERNING THE TRUSTEE

Section 10.01 Duties of the Trustee.

(a) The Trustee hereby accepts the provisions of the Site Lease, the Lease and this Indenture and accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but only upon and subject to the express terms and conditions set forth in the Site Lease, the Lease and this Indenture, and no implied covenants or obligations shall be read into the Site Lease, the Lease, and this Indenture against the Trustee.

(b) The Trustee hereby covenants for the benefit of the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates that the Trustee will observe and comply with its obligations under the Site Lease, the Lease and this Indenture.

(c) The Trustee shall at all times, to the extent permitted by law, defend, preserve and protect its interest in the Leased Property and the other property or property rights included in the Series 2020A Trust Estate and Series 2020B Trust Estate, and all the rights of the Series 2020A Owners and Series 2020B Owners under this Indenture against all claims and demands of all persons whomsoever.

(d) The Trustee, prior to the occurrence of a Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Lease and in this Indenture. If a Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and power vested in it by the Lease and this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in conducting such person’s affairs in exercising any rights or remedies or performing any of its duties hereunder. Before taking any action hereunder the Trustee may require that satisfactory indemnity be furnished to it by the Series 2020A Owners and Series 2020B Owners for the reimbursement of all costs and expenses (including without limitation attorney’s fees and expenses) which it may incur and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or resolution related to the protection of the environment or hazardous substances, except liability which is adjudicated to have resulted from its negligence or willful misconduct, by reason of any action so taken.

Section 10.02 Liability of Trustee; Trustee’s Use of Agents.

(a) The Trustee shall be liable only for its own negligence or willful misconduct. However, the Trustee shall not be liable for any error of judgment made in good faith, provided the Trustee was not negligent in ascertaining the pertinent facts.
(b) The Trustee may exercise any powers under this Indenture and perform any duties required of it through attorneys, receivers, agents, officers or employees, and shall be entitled to the advice or opinion of Counsel concerning all matters involving the Trustee’s duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may rely and act upon the opinion or advice of Counsel engaged by the Trustee in the exercise of reasonable care without liability for any loss or damage resulting from any action or omission taken in good faith reliance upon that opinion or advice.

(c) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct, and shall not be answerable for any negligent act of its attorneys, agents or receivers which have been selected by the Trustee with due care.

(d) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in possession of or managing the Leased Property.

(e) The Trustee shall not be liable for actions taken at the direction of Series 2020A Owners pursuant to the provisions of Article 8, or Series 2020B Owners pursuant to the provisions of Article 9.

(f) Any person hired by the Trustee to enforce Lease Remedies shall be considered the Trustee’s agent for the purposes of this Section.

(g) The Trustee shall not be responsible for any recital herein or in the Certificates (except in respect to the execution of the Certificates on behalf of the Trustee), or for the recording or rerecording, filing or refiling of the Site Lease, the Lease or this Indenture or of any supplements thereto or hereto or any financing statement (other than continuation statements) in connection therewith, or for insuring the project, for collecting any insurance moneys, or for the sufficiency of the security for the Certificates issued hereunder or intended to be secured hereby, or for the value of or title to the Leased Property, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the City, except as provided herein; but the Trustee may require of the City full information and advice as to the performance of the covenants, conditions and agreements aforesaid. The Trustee shall have no obligation to perform any of the duties of the City under the Site Lease or the Lease; and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Indenture.

(h) The Trustee makes no representations as to the value or condition of the Series 2020A Trust Estate or Series 2020B Trust Estate, or any part thereof (except for funds and investments held by the Trustee), or the validity or sufficiency of this Indenture or of the Certificates. The Trustee shall not be accountable for the use of any Certificates executed and delivered to the Initial Purchaser or the use of the proceeds of any Certificates executed and delivered hereunder, provided that the Trustee shall comply with the provisions of this Indenture related to the application of such proceeds that are deposited in the Series 2020A Base Rental Fund and Series 2020B Base Rentals Fund, and the requisition of such proceeds that are
deposited in the Series 2020A Costs of Execution and Delivery Fund and Series 2020B Costs of Execution and Delivery Fund. The Trustee shall not be accountable for the use or application of any Certificates or the proceeds thereof or of any money paid to or upon the order of the City under any provisions of this Indenture or the Lease.

(i) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee shall be entitled to rely conclusively and be protected in acting or refraining from acting upon any resolution, a certificate, statement, opinion, report, or other paper or document signed on behalf of the City by the City Representative or such other person as may be designated for such purpose by ordinance or resolution of the City Council, as sufficient evidence of the facts therein contained, and before the occurrence of a default of which the Trustee has been notified as provided in Section 10.05 or of which by said subsection it is deemed to have been notified, the Trustee may conclusively rely upon a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(j) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law. The Trustee shall not be under any liability for interest on any moneys received hereunder except that the Trustee is responsible for investing moneys in funds held hereunder in compliance with the provisions of the Tax Certificate and complying with the written investment direction of the City.

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand in respect of the execution and delivery of any Certificates, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the City to the execution and delivery of any Certificates, the withdrawal of any cash, or the taking of any other action by the Trustee.

(m) Notwithstanding any other provision hereof, the Trustee shall not be required to advance any of its own funds in the performance of its obligations hereunder or any other documents related to this Indenture, but may if it has received assurances from the Series 2020A Owners and Series 2020B Owners or indemnity from the Series 2020A Owners and Series 2020B Owners satisfactory to it that it will be repaid. The Trustee shall not be required to give any bond or surety in respect to the execution of its trusts and powers hereunder.
(n) The Trustee is entering into the Site Lease and the Lease solely in its capacity as Trustee under this Indenture and all provisions of this Indenture relating to the rights, privileges, powers and protections of the Trustee shall apply with equal force and effect to all actions taken by the Trustee in connection with the Site Lease and the Lease.

(o) Notwithstanding any other provision of this Indenture to the contrary, any provision relating to the conduct of, intended to provide authority to act, right to payment of fees and expenses, protection, immunity, and indemnification to the Trustee, shall be interpreted to include any action of the Trustee, whether it is deemed to be in its capacity as trustee, registrar, or paying agent.

(p) The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Certificates except to the extent that such statement was provided by the Trustee or describes the Trustee’s duties under this Indenture.

(q) The Trustee is authorized and directed to enter into the Site Lease and the Lease, solely in its capacity as Trustee under this Indenture.

(r) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but shall not be required, to inspect any and all books, papers and records of the City pertaining to the Leased Property and the Certificates, and to take such memoranda from and in regard thereto as may be desired.

Section 10.03 Representations and Covenants of Trustee. The Trustee represents, warrants and covenants as follows:

(a) So long as no Series 2020A Event of Indenture Default has occurred and is then continuing or existing, except as specifically provided in the Site Lease or the Lease or as necessary to transfer the Series 2020A Trust Estate to a successor Trustee, the Trustee shall not pledge or assign the Trustee’s right, title and interest in and to (i) the Lease or the Site Lease, (ii) the Series 2020A Base Rentals, other Series 2020A Revenues and collateral, security interests and attendant rights and obligations which may be derived under the Lease or the Site Lease, and/or (iii) the Leased Property and any reversion therein or any of the Trustee’s other rights under the Lease or the Site Lease or assign, pledge, mortgage, encumber or grant a security interest in the Trustee’s right, title and interest in, to and under the Lease or the Site Lease or assign, pledge, mortgage, encumber or grant a security
interest in the Trustee’s right, title and interest in, to and under the Lease or the Site Lease or the Leased Property except for Permitted Encumbrances.

(c) Neither the execution and delivery of the Lease and the Site Lease or this Indenture by the Trustee, nor the fulfillment of or compliance with the terms and conditions thereof and hereof, nor the consummation of the transactions contemplated thereby or hereby conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee is bound, or constitutes a default under any of the foregoing.

(d) To the Trustee’s knowledge, there is no litigation or proceeding pending against the Trustee affecting the right of the Trustee to execute the Lease and the Site Lease or to execute this Indenture, and perform its obligations thereunder or hereunder, except such litigation or proceeding as has been disclosed in writing to the City on or prior to the date this Indenture is executed and delivered.

(e) The Trustee covenants and agrees to comply with any applicable requirements for the Trustee set forth in the Tax Certificate as directed by the City.

(f) The Trustee acknowledges and agrees that so long as the Initial Purchaser is the sole Owner of all the Outstanding Certificates, the Initial Purchaser shall have the right to direct the remedies to be taken by the Trustee hereunder and under the Site Lease and the Lease. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in this Indenture. The Trustee agrees that, so long as the Initial Purchaser is the sole Owner of all Outstanding Certificates, the Trustee shall promptly provide written notice of the occurrence of any Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default to the Initial Purchaser.

Section 10.04 Compensation. The Trustee shall be entitled to payment and reimbursement for its reasonable fees and expenses for its ordinary services rendered hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and all advances, agent and counsel fees and other ordinary expenses as and when the same become due and all expenses reasonably and necessarily made or incurred by the Trustee in connection with such services as and when the same become due, as provided in Section 7.2 of the Lease. Should it become necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable extraordinary costs and expenses in connection therewith; provided that if such extraordinary services or extraordinary costs and expenses are occasioned by negligence or willful misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The rights of the Trustee to payments pursuant to this Section shall be superior to the rights of the Series 2020A Owners and Series 2020B Owners with respect to the Series 2020A Trust Estate and Series 2020B Trust Estate, respectively.

Section 10.05 Notice of Default; Right to Investigate. If a Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default occurs of which the Trustee is deemed to have notice pursuant to this Section, the Trustee shall, within thirty (30) days after it receives notice thereof, give written notice by first class mail to the Series 2020A Owners of the
Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates of all Series 2020A Events of Indenture Default and Series 2020B Events of Indenture Default, respectively, known to the Trustee and send a copy of such notice to the City, unless such defaults have been remedied. The Trustee shall not be required to take notice or be deemed to have notice of any default unless it has actual knowledge thereof or has been notified in writing of such default by the City, with regard to a Series 2020A Event of Indenture Default, the Series 2020A Owners of at least 25% in aggregate principal amount of the Outstanding Series 2020A Taxable Certificates, and with regard to a Series 2020B Event of Indenture Default, the Series 2020B Owners of at least 25% in aggregate principal amount of the Outstanding Series 2020B Certificates. The Trustee may, however, at any time request the City to provide full information as to the performance of any covenant under the Lease; and, if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made an investigation into any matter related to the Site Lease, the Lease and the Leased Property.

Section 10.06 Obligation to Act on Defaults. If any Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default shall have occurred and be continuing of which the Trustee has actual knowledge or notice pursuant to Section 10.05, the Trustee shall exercise such of the rights and remedies vested in it by this Indenture and shall use the same degree of care in their exercise as a prudent person would exercise or use in the circumstances in the conduct of his or her own affairs in exercising any rights or remedies or performing any of its duties hereunder; provided, that if in the opinion of the Trustee such action may tend to involve expense or liability, it shall not be obligated to take such action unless it is furnished with indemnity satisfactory to it for the reimbursement of all costs and expenses (including, without limitation, attorney’s fees and expenses) to which it may be put and to protect it against all liability which may incur in or by reason of such action, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

Section 10.07 Reliance on Requisition, etc. The Trustee may conclusively rely and shall be fully protected from acting or refraining from acting upon any written requisition, resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of this Indenture; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates shall be conclusive and binding upon all future Series 2020A Owners or Series 2020B Owners of the same Certificate and upon any Certificates delivered in place thereof. The Trustee may rely conclusively on any such Certificate or other document and shall not be required to make any independent investigation in connection therewith.

The Trustee shall be entitled to rely upon opinions of Counsel and shall not be responsible for any loss or damage resulting from reliance in good faith thereon, except for its own negligence or willful misconduct.
Section 10.08 Trustee May Own Certificates. The Trustee, in its individual or any other capacity, may in good faith buy, sell, own and hold any of the Certificates and may join in any action which any Series 2020A Owner or Series 2020B Owner may be entitled to take with like effect as if the Trustee were not the party to this Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the City provided that if the Trustee determines that any such relation is in conflict with its duties under this Indenture, it shall eliminate the conflict or resign as Trustee.

Section 10.09 Construction of Ambiguous Provisions. The Trustee may construe any ambiguous or inconsistent provisions of this Indenture, and any such construction by the Trustee shall be binding upon the Series 2020A Owners and Series 2020B Owners. In construing any such provision, the Trustee will be entitled to rely upon opinions of Counsel and will not be responsible for any loss or damage resulting from reliance in good faith thereon, except for its own negligence or willful misconduct.

Section 10.10 Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Indenture by written resignation filed with the City and the Initial Purchaser not less than sixty (60) days before the date when it is to take effect; provided notice of such resignation is sent by electronic means or mailed by registered or certified mail to the Series 2020A Owner of each Outstanding Series 2020A Taxable Certificate and the Series 2020B Owner of each Outstanding Series 2020B Certificate at the address shown on the registration books. Such resignation shall take effect only upon the appointment of a successor Trustee. If no successor Trustee is appointed within sixty (60) days following the date designated for the resignation of the Trustee, the resigning Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee. The rights of the Trustee to be held harmless, to insurance proceeds, or to other amounts due arising prior to the date of such resignation shall survive resignation.

Section 10.11 Removal of Trustee. Any Trustee hereunder may be removed at any time, after payment of all outstanding fees and expenses of the Trustee being so removed, by the City or by the Series 2020A Owners and Series 2020B Owners of a majority in aggregate principal amount of the Certificates then Outstanding, upon written notice being filed with the Trustee, the City, the Series 2020A Owner of each Outstanding Series 2020A Taxable Certificate at the address shown on the registration books, and the Series 2020B Owner of each Outstanding Series 2020B Certificate at the address shown on the registration books. Such removal shall take effect only upon the appointment of a successor Trustee. The rights of the Trustee to be held harmless, to insurance proceeds or to other amounts due arising prior to the date of such removal shall survive removal.

Section 10.12 Appointment of Successor Trustee. If the Trustee or any successor trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the City shall appoint a successor, and shall cause a notice of such appointment to be sent by electronic means and mailed by registered or certified mail to the Series 2020A Owner of each Outstanding Series 2020A Taxable Certificate at the address shown on the registration books, and the Series 2020B Owner of each Outstanding Series 2020B Certificate at the address shown on the registration books. If the City fails to make such appointment within thirty (30) days after the date notice of resignation is filed, the Series 2020A
Owners and Series 2020B Owners of a majority in aggregate principal amount of the Certificates then Outstanding may do so. If the Series 2020A Owners and Series 2020B Owners have failed to make such appointment within thirty (30) days after the date notice of resignation is filed, the Trustee may petition a court of competent jurisdiction to make such appointment.

**Section 10.13 Qualification of Successor.** Any successor trustee shall be a national or State bank with trust powers or a bank and trust company or a trust company, in each case having capital and surplus of at least $50,000,000, if there be one able and willing to accept the trust on reasonable and customary terms.

**Section 10.14 Instruments of Succession.** Any successor trustee shall execute, acknowledge and deliver to the City an instrument accepting such appointment under this Indenture; and thereupon such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust under this Indenture, with like effect as if originally named Trustee herein and thereupon the duties and obligations of the predecessor shall cease and terminate. The Trustee ceasing to act under this Indenture shall, upon the payment of the fees and expenses owed to the predecessor Trustee, pay over to the successor trustee all moneys held by it under this Indenture; and, upon request of the successor trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to the successor trustee all the estates, properties, rights, powers and trusts under this Indenture of the Trustee ceasing to act.

**Section 10.15 Merger of Trustee.** Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any sale, merger or consolidation of its corporate trust business to which any Trustee hereunder shall be a party, shall be the successor trustee under this Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

**Section 10.16 Intervention by Trustee.** In any judicial proceeding to which the Trustee or the City is a party and which, in the opinion of the Trustee and its Counsel, has a substantial bearing on the interests of Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates, the Trustee may intervene on behalf of the Series 2020A Owners and Series 2020B Owners and shall do so if requested in writing by the Initial Purchaser or the Series 2020A Owners and Series 2020B Owners of at least a majority in aggregate principal amount of Outstanding Certificates and upon being furnished satisfactory indemnity. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

**Section 10.17 Books and Record of the Trustee; Trustee Record Keeping.** The Trustee shall keep such books and records relating to the Site Lease and the Lease and Funds and Accounts created under this Indenture as shall be consistent with industry practice and make such books and records available for inspection by the City, at all reasonable times and for six years following the discharge of this Indenture according to Article 7 hereof.
Section 10.18 Environmental Matters. Any real property or interest in real property constituting any portion of the Series 2020A Trust Estate or Series 2020B Trust Estate shall be subject to the following provisions:

(a) The Trustee’s responsibilities for any interest in real property constituting any portion of the Series 2020A Trust Estate prior to a Series 2020A Event of Indenture Default, or Series 2020B Trust Estate prior to a Series 2020B Event of Indenture Default, shall be performed as Trustee on behalf of the Series 2020A Owners of the Series 2020A Taxable Certificates and Series 2020B Owners of the Series 2020B Certificates, respectively, without any duty to monitor or investigate whether the real property constituting any portion of the Series 2020A Trust Estate or Series 2020B Trust Estate complies with environmental laws or is subject to any Hazardous Substance.

(b) Following a Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default, if the Trustee determines that the release, threatened release, use, generation, treatment, storage or disposal of any Hazardous Substance on, under or about real property constituting any portion of the Series 2020A Trust Estate or Series 2020B Trust Estate gives rise to any liability or potential liability under any federal, State, local or common law, or devalues or threatens to devalue such real property, the Trustee may take whatever action is deemed necessary by the Trustee to address the threatened or actual releases of Hazardous Substances, or to bring about or maintain such real property’s compliance with federal, State or local environmental laws and regulations.

(c) The Trustee shall inform the Initial Purchaser and may inform any other Series 2020A Owners of the Series 2020A Taxable Certificates and Series 2020B Owners of the Series 2020B Certificates, of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and, in such event no fiduciary duty exists which imposes any obligation for further action with respect to the Series 2020A Trust Estate or Series 2020B Trust Estate, or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

(End of Article 10.)

ARTICLE 11
ARTICLE 12
SUPPLEMENTAL INDENTURES AND
AMENDMENTS OF THE LEASE AND SITE LEASE

Section 10.19  Supplemental Indentures and Amendments Not Requiring Certificate Owners’ Consent. The Trustee may, with the prior written consent of the City and upon written notice to the Initial Purchaser, but without the consent of the Initial Purchaser or any other Series 2020A Owners or Series 2020B Owners, enter into such indentures or agreements supplemental hereto, for any one or more or all of the following purposes:

(a) to grant additional powers or rights to the Trustee;

(b) in order to preserve or protect the excludability from gross income for federal income tax purposes of the interest portion of the Series 2020B Base Rentals allocable to the Series 2020B Certificates;

(c) to authorize the execution and delivery of Additional Series 2020A Certificates for the purposes and under the conditions set forth in Section 2.08 hereof;

(d) to authorize the execution and delivery of Additional Series 2020B Certificates for the purposes and under the conditions set forth in Section 2.09 hereof; or

(e) for any purpose not inconsistent with the terms of this Indenture or to cure any ambiguity, or to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions contained herein or to make such other amendments to this Indenture which do not materially adversely affect the interests of the Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates.

Section 10.20  Supplemental Indentures and Amendments Requiring Certificate Owners’ Consent.

(a) Exclusive of supplemental indentures and amendments covered by Section 11.01 hereof, the prior written consent of the City and the prior written consent of the Initial Purchaser or the Series 2020A Owners and Series 2020B Owners of a majority in aggregate principal amount of the Certificates then Outstanding, shall be required for any amendments or indentures supplemental hereto.

(b) Notwithstanding the foregoing, without the prior written consent of the Series 2020A Owners and Series 2020B Owners of all of the Certificates at the time Outstanding nothing herein contained shall permit, or be construed as permitting:

(i) A change in the terms of redemption or maturity of the principal amount of or the interest on any Outstanding Series 2020A Taxable Certificate or Outstanding Series 2020B Certificate, or a reduction in the principal amount of or premium payable upon any redemption of any Outstanding Series 2020A Taxable Certificate or Outstanding Series 2020B Certificate, or the rate of interest thereon, without the prior written consent of the Series 2020A Owner or Series 2020B Owner of such Certificate;
(ii) The deprivation of the Series 2020A Owner or Series 2020B Owner of any Certificate then Outstanding of the interest created by this Indenture (other than as originally permitted hereby) without the prior written consent of the Series 2020A Owner or Series 2020B Owner of such Certificate;

(iii) A privilege or priority of any Certificate or Certificates over any other Certificate or Certificates (except with respect to the possible subordination of Additional Series 2020A Certificates or Additional Series 2020B Certificates); or

(iv) A reduction in the aggregate principal amount of the Certificates required for consent to such supplemental indenture.

If at any time the City shall request the Trustee to enter into a supplemental indenture which requires the consent of the Series 2020A Owners or Series 2020B Owners as provided herein, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be sent by electronic means and mailed to the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates at the addresses last shown on the registration records of the Trustee. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Series 2020A Owners and Series 2020B Owners. If, within 60 days or such longer period as shall be prescribed by the City following the mailing of such notice, the required prior written consents have been furnished to the Trustee as herein provided, no Series 2020A Owner or Series 2020B Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.21 Amendment of the Lease and the Site Lease.

(a) Except as otherwise provided in the Lease and the Site Lease, the Trustee and the City shall have the right to amend the Lease and the Site Lease upon prior written notice, but without the consent of, or notice to, the Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates, for one or more of the following purposes:

(i) to add covenants of the Trustee or the City or to grant additional powers or rights to the Trustee;

(ii) in order to more precisely identify the Leased Property, including any substitutions, additions or modifications to the Leased Property as the case may be, as may be authorized under the Site Lease and the Lease;

(iii) to make additions to the Leased Property, amend the schedule of Base Rentals and make all other amendments necessary for the execution and delivery of Additional Series 2020A Certificates in accordance with Section 2.08 hereof or Additional Series 2020B Certificates in accordance with Section 2.09 hereof;
(iv) to amend the schedule Base Rentals upon a partial optional redemption of the Series 2020A Taxable Certificates;

(v) to amend the schedule of Base Rentals upon a partial optional redemption of the Series 2020B Certificates;

(vi) in order to preserve or protect the excludability from gross income for federal income tax purposes of the interest portion of the Series 2020B Base Rentals allocable to the Series 2020B Certificates; or

(vi) for any purpose not inconsistent with the terms of this Indenture or to cure any ambiguity or to correct or supplement any provision contained therein or in any amendment thereto which may be defective or inconsistent with any other provision contained therein or herein or in any amendment thereto or to make such other amendments to the Lease or the Site Lease which do not materially adversely affect the interests of the Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates.

(b) If the City proposes to amend the Lease or the Site Lease in such a way as would materially adversely affect the interests of the Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates, the Trustee shall notify the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates of the proposed amendment and may consent thereto only with the prior written consent of the Series 2020A Owners and Series 2020B Owners of a majority in aggregate principal amount of the Outstanding Certificates; provided, that the Trustee shall not, without the unanimous prior written consent of the Series 2020A Owners and the Series 2020B Owners of all Certificates Outstanding, consent to any amendment which would (1) decrease the amounts payable in respect of the Lease, or (2) change the Base Rentals Payment Dates or (3) change any of the prepayment provisions of the Lease.

(End of Article 14)
Section 10.22 Evidence of Signature of Series 2020A Owners, Series 2020B Owners and Ownership of Certificates. Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Series 2020A Owners or Series 2020B Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Series 2020A Owners and Series 2020B Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Certificates shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Series 2020A Owners or Series 2020B Owners or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public.

(b) The fact of the owning by any person of Certificates and the amounts and numbers of such Certificates, and the date of the owning of the same, may be proved by a certificate executed by any trust company, bank or bankers, wherever situated, stating that at the date thereof the party named therein did exhibit to an officer of such trust company or bank or to such bankers, as the property of such party, the Certificates therein mentioned, if such certificate shall be deemed by the Trustee to be satisfactory. The Trustee may, in its discretion, require evidence that such Certificates have been deposited with a bank, bankers or trust company before taking any action based on such ownership. In lieu of the foregoing the Trustee may accept other proofs of the foregoing as it shall deem appropriate.

Any request or consent of the Series 2020A Owners or Series 2020B Owners of any Certificate shall be conclusive upon and shall bind all future owners of such Certificate and of any Certificate issued upon the transfer or exchange of such Certificate in respect of anything done or suffered to be done by the City, the Trustee in accordance therewith, whether or not notation of such consent or request is made upon any such Certificate.

Section 10.23 Inspection of the Leased Property. Under the Lease, the Trustee and its duly authorized agents (a) have the right, but not the duty, on reasonable notice to the City, at all reasonable times, to examine and inspect the Leased Property (subject to such regulations as may be imposed by the City for security purposes) and (b) are permitted, but have no obligation, at all reasonable times, to examine the books, records, reports and other papers of the City with respect to the Leased Property.

Section 10.24 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the City, the Trustee, the Series 2020A Owners and the Series 2020B Owners any right, remedy or claim under or by reason of this Indenture or any covenant, condition or
stipulation of this Indenture; and all the covenants, stipulations, promises and agreements in this
Indenture contained by and on behalf of the Trustee shall be for the sole and exclusive benefit of
the City, the Trustee, the Series 2020A Owners and the Series 2020B Owners.

Section 10.25 Section 16.04–Titles, Headings, Etc. The titles and headings of the
articles, sections and subdivisions of this Indenture have been inserted for convenience of
reference only and shall in no way modify or restrict any of the terms or provisions of this
Indenture.

Section 10.26 Section 16.05–Severability. In the event any provision of this Indenture
shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall
not invalidate or render unenforceable any other provision of this Indenture.

Section 10.27 Section 16.06–Governing Law. This Indenture shall be governed and
construed in accordance with the laws of the State of Colorado without regard to choice of law
analysis.

Section 10.28 Section 16.07–Execution in Counterparts; Electronic Signatures. This
Indenture may be executed in several counterparts, each of which shall be an original and all of
which shall constitute but one and the same instrument. To the fullest extent permitted by
applicable law and except for the Certificates (which must be manually signed by an authorized
representative of the Trustee) and instruments of transfer of the Certificates, facsimile or
electronically transmitted signatures shall constitute original signatures for all purposes under
this Agreement, the Lease and the Site Lease.

Section 10.29 Section 16.08–Notices. All notices, certificates or other communications
to be given hereunder shall be sufficiently given and shall be deemed given when delivered or
in person or by facsimile or other Electronic Notice, or when mailed by certified or registered mail,
postage prepaid, addressed as follows:

If to the Trustee:
U.S. Bank National Association
950 17th Street, Suite 300
Denver, Colorado 80226
Attention: Corporate Trust Department

If to the City:
City of Lakewood, Colorado
480 S. Allison Parkway
Lakewood, Colorado 80226
Attention: Chief Financial Officer

If to the Initial Purchaser:
First Bank
12345 West Colfax Avenue
Lakewood, Colorado 80215
Attention: Investments
FirstBankInvestments@efirstbank.com
The City, the Trustee and the Initial Purchaser may, by written notice, designate any further or different means of communication or addresses to which subsequent notices, certificates or other communications shall be sent.

Notices to be given to the Series 2020A Owners of the Series 2020A Taxable Certificates and Series 2020B Owners of the Series 2020B Certificates if other than the Initial Purchaser, shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, addressed to the addresses show in the registration books maintained by the Trustee.

**Section 16.09 Consent and Notice to the Initial Purchaser.** Any provision herein requiring the specific consent of or notice to the Initial Purchaser, or giving the Initial Purchaser any directive right hereunder, shall be applicable only so long as the Initial Purchaser is the sole Series 2020A Owner and Series 2020B Owner of all Outstanding Certificates. Any consent required of the Initial Purchaser shall not be unreasonably withheld, conditioned or delayed, unless specifically provided otherwise herein. This Section 12.09 shall not be construed to deprive the Initial Purchaser of any notice or right to consent or a directive as one of the Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates where the consent of, notice to or directive of the Series 2020A Owners of the Series 2020A Taxable Certificates or the Series 2020B Owners of the Series 2020B Certificates in general is required herein.

**Section 16.10 Successors and Assigns.** All the covenants, promises and agreements in this Indenture contained by or on behalf of the Trustee shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

**Section 16.11 Payments Due on Saturdays, Sundays and Holidays.** If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Indenture, shall be a day other than a Business Day such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture.

**Section 16.12 Electronic Storage.** The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

*(End of Article 12. Signature page follows.)*
IN WITNESS WHEREOF, the Trustee has caused this Indenture to be executed as of the date first above written.

U.S. Bank National Association, as Trustee

By: ________________________________
    Senior Vice President
EXHIBIT A
FORM OF SERIES 2020A TAXABLE CERTIFICATE

THIS SERIES 2020A TAXABLE CERTIFICATE MAY ONLY BE TRANSFERRED BY THE REGISTERED SERIES 2020A OWNER HEREOF SOLELY TO (A) AN AFFILIATE OF THE INITIAL PURCHASER, (B) A TRUST OR OTHER CUSTODIAL ARRANGEMENT ESTABLISHED BY THE INITIAL PURCHASER OR ONE OF ITS AFFILIATES, THE SERIES 2020A OWNERS OF ANY BENEFICIAL INTERESTS IN WHICH ARE LIMITED TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (C) A QUALIFIED INSTITUTIONAL BUYER WHICH HAS EXECUTED A LETTER CONTAINING REPRESENTATIONS AND WARRANTIES AS TO IT BEING A SOPHISTICATED INVESTOR. IN ADDITION, ANY TRANSFER OF THIS SERIES 2020A TAXABLE CERTIFICATE MUST BE IN COMPLIANCE WITH THE SECURITIES LAWS OF THE UNITED STATES OF AMERICA; PROVIDED, HOWEVER, THAT THE TRUSTEE SHALL HAVE NO DUTY TO DETERMINE WHETHER ANY REQUESTED TRANSFER IS IN COMPLIANCE WITH ANY SUCH APPLICABLE SECURITIES LAWS.

CERTIFICATE OF PARTICIPATION
SERIES 2020A

Evidencing Proportionate Interests in the Series 2020A Base Rentals and other Series 2020A Revenues under an annually renewable Lease Purchase Agreement dated as of September 1, 2020, between U.S. Bank National Association, solely in its capacity as trustee under the Indenture, as lessor, and the City of Lakewood, Colorado, as lessee

No. R-1 $[1,300,000]

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<tbody>
<tr>
<td>1.95%</td>
<td>June 1, 2026</td>
<td>September 1, 2020</td>
</tr>
</tbody>
</table>

Registered Series 2020A Owner:

Principal Amount: ONE MILLION THREE HUNDRED THOUSAND DOLLARS

THIS CERTIFIES THAT the Registered Series 2020A Owner (specified above), or registered assigns, as the Registered Series 2020A Owner (the “Series 2020A Owner”) of this Certificate of Participation, Series 2020A (this “Series 2020A Taxable Certificate”), is the Series 2020A Owner of a proportionate interest in the right to receive certain designated Series 2020A Revenues, including Series 2020A Base Rentals, under and as defined in the Lease Purchase Agreement (the “Lease”) dated as of September 1, 2020, between U.S. Bank National Association, Denver, Colorado, as Trustee (the “Trustee”), as lessor, and the City of Lakewood, Colorado (the “City”), as lessee. This Series 2020A Taxable Certificate is secured as provided in the Lease and the Indenture of Trust (the “Indenture”) dated as of September 1, 2020, by the Trustee. All terms capitalized but not defined herein shall have the meanings given to them in the Indenture.
This Series 2020A Taxable Certificate bears interest, matures, is payable, is subject to redemption, and is transferable as provided in the Indenture.

Under the Site Lease, certain Leased Property described therein (the “Leased Property”) has been leased by the City, as lessor, to the Trustee, as lessee. Under the Lease, the Leased Property has been leased back by the Trustee, as lessor, to the City, as lessee, and the City has agreed to pay directly to the Trustee certain Series 2020A Base Rentals in consideration of the City’s right to possess and use the Leased Property. Certain Series 2020A Revenues, including Series 2020A Base Rentals, are required under the Indenture to be distributed by the Trustee for the payment of the Series 2020A Taxable Certificates and interest thereon. The Lease is subject to annual appropriation, non-renewal and, in turn, termination by the City.

This Series 2020A Taxable Certificate has been executed and delivered pursuant to the terms of the Indenture. Reference is hereby made to the Site Lease, the Lease and the Indenture (copies of which are on file in the offices of the Trustee) for a description of the terms on which the Series 2020A Taxable Certificates are delivered, and the rights thereunder of the Series 2020A Owners of the Series 2020A Taxable Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the City under the Site Lease and the Lease, to all of the provisions of which Site Lease, Lease and Indenture the Series 2020A Owner of this Series 2020A Taxable Certificate, by acceptance hereof, assents and agrees.

This Series 2020A Taxable Certificate is executed and delivered under the authority of Part 2 of Article 57, Title 11, Colorado Revised Statutes (the “Supplemental Act”). Pursuant to Section 11-57-210 of the Supplemental Act, such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Series 2020A Taxable Certificate after its delivery for value.


<table>
<thead>
<tr>
<th>Series 2020A Taxable Certificates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
</tr>
<tr>
<td>June 1, 2022</td>
</tr>
<tr>
<td>June 1, 2023</td>
</tr>
<tr>
<td>June 1, 2024</td>
</tr>
<tr>
<td>June 1, 2025</td>
</tr>
<tr>
<td>June 1, 2026*</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
</tr>
</tbody>
</table>

*Maturity.
Notwithstanding any provisions to the contrary contained herein, so long as the Initial Purchaser is the sole Series 2020A Owner of all Outstanding Series 2020A Taxable Certificates, the Initial Purchaser shall not be required to surrender this Series 2020A Taxable Certificate to the Trustee to receive payment in connection with principal installments, but shall be required to surrender this Series 2020A Taxable Certificate only on the final Maturity Date of redemption date, if any, to receive payment of the final principal payment hereof.

The interest hereon is payable at the interest rate from the Dated Date (specified above) on June 1 and December 1 of each year, beginning December 1, 2020 (the “Interest Payment Dates”) and thereafter (A) from the Execution Date (specified below), if this Series 2020A Taxable Certificate is executed on an Interest Payment Date or (B) from the last preceding Interest Payment Date to which interest has been paid in all other cases, until the Principal Amount is paid as set forth herein. Interest is to be calculated on the basis of a 360-day year consisting of twelve 30-day months.


The principal of, premium, if any, and interest on all Series 2020A Taxable Certificates shall be payable to the Series 2020A Owner thereof at its address last appearing on the registration books maintained by the Trustee. Notwithstanding the foregoing, so long as the Initial Purchaser is the sole owner of the Outstanding Series 2020A Taxable Certificates, the installments of principal and interest on the Series 2020A Taxable Certificates shall be payable, without presentment, by wire transfer of funds to a bank account designated by the Initial Purchaser in written instructions to the Trustee.

**Extraordinary Mandatory Redemption.** If the Lease is terminated by reason of the occurrence of (a) an Event of Nonappropriation, or (b) an Event of Lease Default, or (c) the Trustee, at the direction of the City, fails to repair or replace the Leased Property if: (1) the Leased Property is damaged or destroyed in whole or in part by fire or other casualty; (2) title to, or the temporary or permanent use of, the Leased Property, or any portion thereof, has been taken by eminent domain by any governmental body; (3) breach of warranty or any material defect with respect to the Leased Property becomes apparent; or (4) title to or the use of all or any portion of the Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds (as defined in the Lease) of any insurance, performance bond or condemnation award, or Net Proceeds received as a consequence of defaults under contracts relating to the
Leased Property, made available by reason of such occurrences, are insufficient to pay in full, the cost of repairing or replacing the Leased Property and the City does not appropriate sufficient funds for such purpose or cause the Lease to be amended in order that Additional Series 2020A Certificates or Additional Series 2020B Certificates may be executed and delivered pursuant to the Indenture for such purpose, the Series 2020A Taxable Certificates are required to be called for redemption. If called for redemption, as described herein, the Series 2020A Taxable Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds as described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the Lease, otherwise received and other moneys then available under the Indenture are insufficient to pay in full the principal of and accrued interest on all Outstanding Series 2020A Taxable Certificates and Series 2020B Certificates, the Trustee may, with the prior written consent of the Initial Purchaser, or at the request of the Series 2020A Owners and Series 2020B Owners of a majority in aggregate principal amount of the Certificates Outstanding, and upon indemnification as to costs and expenses as provided in the Indenture, without any further demand or notice, is to exercise all or any combination of Lease Remedies as provided in the Lease and the Series 2020A Taxable Certificates and Series 2020B Certificates are to be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, then on hand and being held by the Trustee for the Series 2020A Owners of the Series 2020A Taxable Certificates and the Series 2020B Owners of the Series 2020B Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem the Series 2020A Taxable Certificates and Series 2020B Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys shall be allocated proportionately among the Series 2020A Taxable Certificates and Series 2020B Certificates, according to the principal amount thereof Outstanding. In the event that such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are in excess of the amount required to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such excess moneys shall be paid to the City as an overpayment of the Purchase Option Price. Prior to any distribution of the Net Proceeds resulting from the exercise of any of such remedies, the Trustee shall be entitled to payment of its reasonable and customary fees for all services rendered in connection with such disposition, as well as reimbursement for all reasonable costs and expenses, including attorneys’ fees, incurred thereby, from proceeds resulting from the exercise of such Lease Remedies and other moneys.

IF THE SERIES 2020A TAXABLE CERTIFICATES ARE REDEEMED FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT IS DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE SERIES 2020A TAXABLE CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO SERIES 2020A OWNER OF SUCH SERIES 2020A TAXABLE CERTIFICATES, INCLUDING THIS SERIES 2020A TAXABLE CERTIFICATE, SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE CITY.
Notwithstanding the foregoing or any other provisions to the contrary in the Lease or the Indenture, so long as the Initial Purchaser is the sole Series 2020A Owner of the Series 2020A Taxable Certificates, the Series 2020A Taxable Certificates shall not be subject to extraordinary mandatory redemption under Section 4.03 of the Indenture and the Trustee may not apply any Net Proceeds or other available moneys to the redemption of the Series 2020A Taxable Certificates prior to their maturity date or mandatory sinking fund redemption dates without the prior written consent of the Initial Purchaser. In the absence of such consent, the Trustee shall apply the Net Proceeds to the payment of the principal of and interest on the Series 2020A Taxable Certificates on the regularly scheduled maturity date thereof, mandatory sinking fund redemption dates thereof, and interest payment dates of the Series 2020A Taxable Certificates.

Additional Series 2020A Certificates may be executed and delivered pursuant to the Indenture upon the satisfaction of certain conditions and limitations. Any such Additional Series 2020A Certificates would evidence interests in rights to receive Series 2020A Revenues, including Series 2020A Base Rentals, without preference, priority or distinction of any Series 2020A Taxable Certificates, including the Additional Series 2020A Certificates, over any others, however, insurance, a reserve fund and other credit facilities may be applicable only to particular series of Series 2020A Taxable Certificates or portions thereof.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture may be amended by the Trustee with the prior written consent of the Series 2020A Owners of a majority in aggregate principal amount of the Series 2020A Taxable Certificates outstanding, and may be amended without such consent under certain circumstances described in the Indenture but in no event such that the interests of the Series 2020A Owners of the Series 2020A Taxable Certificates are materially adversely affected, provided that no such amendment is to impair the right of any Series 2020A Owner to receive in any case such Series 2020A Owner’s proportionate share of any payment of Series 2020A Revenues in accordance with the terms of such Series 2020A Owner’s Series 2020A Taxable Certificate.

This Series 2020A Taxable Certificate is executed with the intent that the laws of the State of Colorado shall govern its legality, validity, enforceability and construction. The City has determined that this Series 2020A Taxable Certificate is authorized and issued under the authority of and in full conformity with the Constitution of the State of Colorado and all other laws of the State of Colorado thereunto enabling.

This Series 2020A Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Lease or the Indenture, until executed by the Trustee.

The Trustee has executed this Series 2020A Taxable Certificate solely in its capacity as Trustee under the Indenture and not in its individual or personal capacity. The Trustee is not liable for the obligations evidenced by the Series 2020A Taxable Certificates except from amounts held by it in its capacity as Trustee under the Indenture.
IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all things, conditions
and acts required by the Constitution and the statutes of the State and the Indenture to exist, to
have happened and to have been performed precedent to and the execution and delivery of this
Series 2020A Taxable Certificate, do exist, have happened and have been performed in due time,
form and manner, as required by law.

IN WITNESS WHEREOF, this Series 2020A Taxable Certificate has been executed with
the manual signature of an authorized representative of the Trustee.

Execution Date: September 1, 2020

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: ________________________________
   Senior Vice President
ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto __________________________________________ the within Series 2020A Taxable Certificate and hereby irrevocably constitutes and appoints ____________ Attorney, to transfer the within Series 2020A Taxable Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Signature

Dated: ________________________________

Signature Guaranteed:

Signature must be guaranteed by a member of a Medallion Signature Program

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 certificate in every particular, without alteration or enlargement or any change whatsoever.

(End Form of Assignment)
The following installments of principal (or portions thereof) of this Series 2020A Taxable Certificate have been paid or prepaid in accordance with the terms of the Indenture authorizing the issuance of this Series 2020A Taxable Certificate.

<table>
<thead>
<tr>
<th>Date of Prepayment</th>
<th>Principal Prepaid</th>
<th>Signature of Authorized Registered Owner</th>
</tr>
</thead>
</table>

(End of Form of Prepayment Panel)

(End Form of Certificates)
EXHIBIT B

FORM OF SERIES 2020B CERTIFICATE

THIS SERIES 2020B CERTIFICATE MAY ONLY BE TRANSFERRED BY THE REGISTERED SERIES 2020B OWNER HEREOF SOLELY TO (A) AN AFFILIATE OF THE INITIAL PURCHASER, (B) A TRUST OR OTHER CUSTODIAL ARRANGEMENT ESTABLISHED BY THE INITIAL PURCHASER OR ONE OF ITS AFFILIATES, THE SERIES 2020B OWNERS OF ANY BENEFICIAL INTERESTS IN WHICH ARE LIMITED TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (C) A QUALIFIED INSTITUTIONAL BUYER WHICH HAS EXECUTED A LETTER CONTAINING REPRESENTATIONS AND WARRANTIES AS TO IT BEING A SOPHISTICATED INVESTOR. IN ADDITION, ANY TRANSFER OF THIS SERIES 2020B CERTIFICATE MUST BE IN COMPLIANCE WITH THE SECURITIES LAWS OF THE UNITED STATES OF AMERICA; PROVIDED, HOWEVER, THAT THE TRUSTEE SHALL HAVE NO DUTY TO DETERMINE WHETHER ANY REQUESTED TRANSFER IS IN COMPLIANCE WITH ANY SUCH APPLICABLE SECURITIES LAWS.

CERTIFICATE OF PARTICIPATION
SERIES 2020B

Evidencing Proportionate Interests in the Series 2020B Base Rentals and other Series 2020B Revenues under an annually renewable Lease Purchase Agreement dated as of September 1, 2020, between U.S. Bank National Association, solely in its capacity as trustee under the Indenture, as lessor, and the City of Lakewood, Colorado, as lessee

No. R-2 $[4,555,000]

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Dated Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.15%</td>
<td>June 1, 2039</td>
<td>September 1, 2020</td>
</tr>
</tbody>
</table>

Registered Series 2020B Owner:

Principal Amount: FOUR MILLION FIVE HUNDRED FIFTY-FIVE THOUSAND DOLLARS

THIS CERTIFIES THAT the Registered Series 2020B Owner (specified above), or registered assigns, as the Registered Series 2020B Owner (the “Series 2020B Owner”) of this Certificate of Participation, Series 2020B (this “Series 2020B Certificate”), is the Series 2020B Owner of a proportionate interest in the right to receive certain designated Series 2020B Revenues, including Series 2020B Base Rentals, under and as defined in the Lease Purchase Agreement (the “Lease”) dated as of September 1, 2020, between U.S. Bank National Association, Denver, Colorado, as Trustee (the “Trustee”), as lessor, and the City of Lakewood, Colorado (the “City”), as lessee. This Series 2020B Certificate is secured as provided in the Lease and the Indenture of Trust (the “Indenture”) dated as of September 1, 2020, by the Trustee.
All terms capitalized but not defined herein shall have the meanings given to them in the Indenture.

This Series 2020B Certificate bears interest, matures, is payable, is subject to redemption, and is transferable as provided in the Indenture.

Under the Site Lease, certain Leased Property described therein (the “Leased Property”) has been leased by the City, as lessor, to the Trustee, as lessee. Under the Lease, the Leased Property has been leased back by the Trustee, as lessor, to the City, as lessee, and the City has agreed to pay directly to the Trustee certain Series 2020B Base Rentals in consideration of the City’s right to possess and use the Leased Property. Certain Series 2020B Revenues, including Series 2020B Base Rentals, are required under the Indenture to be distributed by the Trustee for the payment of the Series 2020B Certificates and interest thereon. The Lease is subject to annual appropriation, non-renewal and, in turn, termination by the City.

This Series 2020B Certificate has been executed and delivered pursuant to the terms of the Indenture. Reference is hereby made to the Site Lease, the Lease and the Indenture (copies of which are on file in the offices of the Trustee) for a description of the terms on which the Series 2020B Certificates are delivered, and the rights thereunder of the Series 2020B Owners of the Series 2020B Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the City under the Site Lease and the Lease, to all of the provisions of which Site Lease, Lease and Indenture the Series 2020B Owner of this Series 2020B Certificate, by acceptance hereof, assents and agrees.

This Series 2020B Certificate is executed and delivered under the authority of Part 2 of Article 57, Title 11, Colorado Revised Statutes (the “Supplemental Act”). Pursuant to Section 11-57-210 of the Supplemental Act, such recital shall be conclusive evidence of the validity and the regularity of the issuance of this Series 2020B Certificate after its delivery for value.


<table>
<thead>
<tr>
<th>Series 2020B Certificates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
</tr>
<tr>
<td>Principal Installment</td>
</tr>
</tbody>
</table>
June 1, 2026 $120,000
June 1, 2027 305,000
June 1, 2028 310,000
June 1, 2029 315,000
June 1, 2030 320,000
June 1, 2031 330,000
June 1, 2032 335,000
June 1, 2033 340,000
June 1, 2034 345,000
June 1, 2035 355,000
June 1, 2036 360,000
June 1, 2037 365,000
June 1, 2038 375,000
June 1, 2039 380,000
TOTAL $[4,555,000]

*Maturity.

Notwithstanding any provisions to the contrary contained herein, so long as the Initial Purchaser is the sole Series 2020B Owner of all Outstanding Series 2020B Certificates, the Initial Purchaser shall not be required to surrender this Series 2020B Certificate to the Trustee to receive payment in connection with principal installments, but shall be required to surrender this Series 2020B Certificate only on the final Maturity Date of redemption date, if any, to receive payment of the final principal payment hereof.

The interest hereon is payable at the interest rate from the Dated Date (specified above) on June 1 and December 1 of each year, beginning December 1, 2020 (the “Interest Payment Dates”) and thereafter (A) from the Execution Date (specified below), if this Series 2020B Certificate is executed on an Interest Payment Date or (B) from the last preceding Interest Payment Date to which interest has been paid in all other cases, until the Principal Amount is paid as set forth herein. Interest is to be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The principal of, premium, if any, and interest on all Series 2020B Certificates shall be payable to the Series 2020B Owner thereof at its address last appearing on the registration books maintained by the Trustee. Notwithstanding the foregoing, so long as the Initial Purchaser is the sole owner of the Outstanding Series 2020B Certificates, the installments of principal and interest on the Series 2020B Certificates shall be payable, without presentment, by wire transfer of funds to a bank account designated by the Initial Purchaser in written instructions to the Trustee.

**Extraordinary Mandatory Redemption.** If the Lease is terminated by reason of the occurrence of (a) an Event of Nonappropriation, (b) an Event of Lease Default, or (c) the Trustee, at the direction of the City, fails to repair or replace the Leased Property if: (1) the Leased Property is damaged or destroyed in whole or in part by fire or other casualty; (2) title to, or the temporary or permanent use of, the Leased Property, or any portion thereof, has been taken by eminent domain by any governmental body; (3) breach of warranty or any material defect with respect to the Leased Property becomes apparent; or (4) title to or the use of all or any portion of the Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds (as defined in the Lease) of any insurance, performance bond or condemnation award, or Net Proceeds received as a consequence of defaults under contracts relating to the Leased Property, made available by reason of such occurrences, are insufficient to pay in full, the cost of repairing or replacing the Leased Property and the City does not appropriate sufficient funds for such purpose or cause the Lease to be amended in order that Additional Series 2020B Certificates or Additional Series 2020B Certificates may be executed and delivered pursuant to the Indenture for such purpose, the Series 2020B Certificates are required to be called for redemption. If called for redemption, as described herein, the Series 2020B Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds as described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the Lease, otherwise received and other moneys then available under the Indenture are insufficient to pay in full the principal of and accrued interest on all Outstanding Series 2020B Certificates and Series 2020B Certificates, the Trustee may, with the consent of the Initial Purchaser, or at the request of the Series 2020B Owners and Series 2020B Owners of a majority in aggregate principal amount of the Certificates Outstanding, and upon indemnification as to costs and expenses as provided in the Indenture, without any further demand or notice, is to exercise all or any combination of Lease Remedies as provided in the Lease and the Series 2020B Certificates and Series 2020B Certificates are to be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys, if any, then on hand and being held by the Trustee for the Series 2020B Owners of the Series 2020B Certificates and the Series 2020B Owners of the Series 2020B Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem the Series 2020A Taxable Certificates and Series 2020B Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys shall be allocated proportionately among the Series 2020A Taxable Certificates and Series 2020B Certificates, according to the principal amount thereof Outstanding. In the event that such Net Proceeds
resulting from the exercise of such Lease Remedies and other moneys are in excess of the amount required to redeem the Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such excess moneys shall be paid to the City as an overpayment of the Purchase Option Price. Prior to any distribution of the Net Proceeds resulting from the exercise of any of such remedies, the Trustee shall be entitled to payment of its reasonable and customary fees for all services rendered in connection with such disposition, as well as reimbursement for all reasonable costs and expenses, including attorneys’ fees, incurred thereby, from proceeds resulting from the exercise of such Lease Remedies and other moneys.

**IF THE SERIES 2020B CERTIFICATES ARE REDEEMED FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT IS DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE SERIES 2020B CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO SERIES 2020B OWNER OF SUCH SERIES 2020B CERTIFICATES, INCLUDING THIS SERIES 2020B CERTIFICATE, SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE TRUSTEE OR THE CITY.**

Notwithstanding the foregoing or any other provisions to the contrary in the Lease or the Indenture, so long as the Initial Purchaser is the sole Series 2020B Owner of the Series 2020B Certificates, the Series 2020B Certificates shall not be subject to extraordinary mandatory redemption under Section 5.03 of the Indenture and the Trustee may not apply any Net Proceeds or other available moneys to the redemption of the Series 2020B Certificates prior to their maturity date or mandatory sinking fund redemption dates without the prior written consent of the Initial Purchaser. In the absence of such consent, the Trustee shall apply the Net Proceeds to the payment of the principal of and interest on the Series 2020B Certificates on the regularly scheduled maturity date thereof, mandatory sinking fund redemption dates thereof, and interest payment dates of the Series 2020B Certificates.

Additional Series 2020B Certificates may be executed and delivered pursuant to the Indenture upon the satisfaction of certain conditions and limitations. Any such Additional Series 2020B Certificates would evidence interests in rights to receive Series 2020B Revenues, including Series 2020B Base Rentals, without preference, priority or distinction of any Series 2020B Certificates, including the Additional Series 2020B Certificates, over any others, however, insurance, a reserve fund and other credit facilities may be applicable only to particular series of Series 2020B Certificates or portions thereof.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture may be amended by the Trustee with the prior written consent of the Series 2020B Owners of a majority in aggregate principal amount of the Series 2020B Certificates outstanding, and may be amended without such consent under certain circumstances described in the Indenture but in no event such that the interests of the Series 2020B Owners of the Series 2020B Certificates are materially adversely affected, provided that no such amendment is to impair the right of any Series 2020B Owner to receive in any case such Series 2020B Owner’s proportionate share of any payment of Series 2020B Revenues in accordance with the terms of such Series 2020B Owner’s Series 2020B Certificate.
This Series 2020B Certificate is executed with the intent that the laws of the State of Colorado shall govern its legality, validity, enforceability and construction. The City has determined that this Series 2020B Certificate is authorized and issued under the authority of and in full conformity with the Constitution of the State of Colorado and all other laws of the State of Colorado thereunto enabling.

This Series 2020B Certificate shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Lease or the Indenture, until executed by the Trustee.

The Trustee has executed this Series 2020B Certificate solely in its capacity as Trustee under the Indenture and not in its individual or personal capacity. The Trustee is not liable for the obligations evidenced by the Series 2020B Certificates except from amounts held by it in its capacity as Trustee under the Indenture.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all things, conditions and acts required by the Constitution and the statutes of the State and the Indenture to exist, to have happened and to have been performed precedent to and the execution and delivery of this Series 2020B Certificate, do exist, have happened and have been performed in due time, form and manner, as required by law.

IN WITNESS WHEREOF, this Series 2020B Certificate has been executed with the manual signature of an authorized representative of the Trustee.

Execution Date: September 1, 2020

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _________________________________
    Senior Vice President
(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto __________________________________________ the within Series 2020B Certificate and hereby irrevocably constitutes and appoints ____________ Attorney, to transfer the within Series 2020B Certificate on the books kept for registration thereof, with full power of substitution in the premises.

__________________________________________
Signature

Dated: ________________________________

Signature Guaranteed:

____________________________________
____________________________________
____________________________________
Signature must be guaranteed by a member of a Medallion Signature Program
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 certificate in every particular, without alteration or enlargement or any change whatsoever.

(End Form of Assignment)
The following installments of principal (or portions thereof) of this Series 2020B Certificate have been paid or prepaid in accordance with the terms of the Indenture authorizing the issuance of this Series 2020B Certificate.

<table>
<thead>
<tr>
<th>Date of Prepayment</th>
<th>Principal Prepaid</th>
<th>Signature of Authorized Registered Owner</th>
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<tbody>
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(End of Form of Prepayment Panel)

(End Form of Certificates)
| Input: |
|------------------|----------------------------------|
| Document 1 ID    | interwovenSite://DMS.SHERMANHOWARD.COM/Active/52021252/2 |
| Description      | #52021252v2<Active> - Indenture of Trust - Lakewood 2020A and 2020B (7-22-2020) |
| Document 2 ID    | interwovenSite://DMS.SHERMANHOWARD.COM/Active/52021252/3 |
| Description      | #52021252v3<Active> - Indenture of Trust - Lakewood 2020A and 2020B (8-4-2020) |
| Rendering set    | Standard                          |

**Legend:**
- Insertion
- Deletion
- Moved from
- Moved to
- Style change
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LEASE PURCHASE AGREEMENT

DATED AS OF SEPTEMBER 1, 2020

BETWEEN

U.S. BANK NATIONAL ASSOCIATION,
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE
INDENTURE IDENTIFIED HEREIN,
AS LESSOR

AND

CITY OF LAKEWOOD, COLORADO,
AS LESSEE
This Table of Contents is not a part of this Lease and is only for convenience of reference.

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This LEASE PURCHASE AGREEMENT, dated as of September 1, 2020 (this “Lease”), is by and between U.S. BANK NATIONAL ASSOCIATION, Denver, Colorado, a national banking association duly organized and validly existing under the laws of the United States of America, solely in its capacity as trustee under the Indenture (the “Trustee”), as lessor, and CITY OF LAKEWOOD, COLORADO, a home rule municipal corporation and political subdivision of the State of Colorado (the “City”), as lessee.

PREFACE

All capitalized terms used herein will have the meanings ascribed to them in Article 1 of this Lease.

RECITALS

1. The City is a duly organized and existing under and by virtue of the Constitution and laws of the State of Colorado and the home rule charter of the City (the “Charter”).

2. Pursuant to Section 11.6 of the Charter, the City is authorized to enter into one or more rental or leasehold agreements for any municipal purpose.

3. Pursuant to Section 14.3 of the Charter, the City is authorized to sell and dispose of public buildings and real and personal property.

4. The City has previously entered into that certain Lease Purchase and Sublease Agreement dated as of August 1, 2000, as amended by the First Amendment to Lease Purchase and Sublease Agreement dated as of April 1, 2004, and as amended by the Second Amendment to Lease Purchase and Sublease Agreement dated as of February 1, 2006 (as amended, the “2000 Lease Purchase Agreement”), with the Lakewood Public Building Authority, as assigned to U.S. Bank National Association, as lessor, pursuant to which the City to acquired, constructed, renovated and equipped various capital improvements, as more particularly described therein.

5. On February 27, 2006, the Lakewood Public Building Authority issued its Refunding Certificates of Participation, Series 2006A (the “Series 2006A Certificates”), evidencing rights to receive certain revenues to be received from the lessee pursuant to the 2000 Lease Purchase Agreement.

6. The City and the Lakewood Public Building Authority allocated a portion of the repayment obligation related to the Series 2006A Certificates to the City’s Golf Enterprise Fund.

7. The City Council has determined that it is in the best interests of the City and its inhabitants to apply the moneys received in connection with the execution of the Site Lease and this Lease, together with other available moneys of the City, to: (a) refinance the portion of the City’s obligations under the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund (the “Series 2020A Refunding Project”); and (b) finance the design, construction, installation, acquisition, renovation, replacement, maintenance and repair of irrigation system improvements, and related appurtenances, at the Fox Hollow Golf Course (the “Series 2020B Irrigation Project”).
8. To accomplish the Series 2020A Refunding Project and the Series 2020B Irrigation Project, the City has determined to: (a) lease a certain parcel of land and the buildings located thereon (as more particularly described in Exhibit B attached hereto, collectively, the “Leased Property”) to the Trustee pursuant to the Site Lease, dated as of the date hereof by and between the City, as the site lessor, and the Trustee, as the ground lessee (the “Site Lease”), and (b) simultaneously sublease the Leased Property back from the Trustee pursuant this Lease.

9. The City owns the Leased Property in fee simple.

10. The payment by the City of Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals hereunder in any future Fiscal Year is subject to specific Appropriations and the renewal by the City Council of this Lease for such future Fiscal Year. Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals payable by the City under this Lease shall constitute current expenditures of the City.

11. Neither this Lease nor the payment by the City of Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals hereunder shall be deemed or construed as creating an indebtedness of the City within the meaning of any provision of the Colorado constitution or the laws of the State of Colorado concerning or limiting the creation of indebtedness by the City, and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation of the City within the meaning of Article X, Section 20(4) of the Colorado constitution or a mandatory charge or requirement against the City in any ensuing Fiscal Year beyond the then current Fiscal Year. The obligation of the City to pay Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals hereunder shall be from year to year only, shall constitute currently budgeted expenditures of the City, shall not constitute a mandatory charge or requirement in any ensuing budget year, nor a mandatory payment obligation of the City in any ensuing Fiscal Year beyond any Fiscal Year during which this Lease shall be in effect. In the event that this Lease is not renewed, the sole security available to the Trustee, as lessor hereunder, shall be the Leased Property.

12. The Trustee is executing this Lease solely in its capacity as trustee under the Indenture, and subject to the terms, conditions and protections provided for herein.

13. The Trustee and the City intend that this Lease set forth their entire understanding and agreement regarding the terms and conditions upon which the City is leasing the Leased Property from the Trustee.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the Trustee and the City agree as follows:
ARTICLE 1
DEFINITIONS

Section 1.1 Certain Funds and Accounts. All references herein to any funds and accounts shall mean the funds and accounts so designated which are established under the Indenture.

Section 1.2 Definitions. All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Indenture, unless the context otherwise requires. Capitalized terms used herein shall have the following meanings under this Lease:

“Additional Rentals” means the payment or cost of all:

(a) (i) reasonable expenses and fees of the Trustee related to the performance or discharge of its responsibilities under the provisions of this Lease, the Site Lease or the Indenture, including the reasonable fees and expenses of any person or firm employed by the City to make rebate calculations under the provisions of Section 3.07 of the Indenture and the expenses of the Trustee in respect of any policy of insurance obtained in respect of the Certificates executed and delivered with respect to this Lease, (ii) the cost of insurance premiums and insurance deductible amounts under any insurance policy reasonably deemed necessary by the Trustee to protect the Trustee from any liability under this Lease, approved by the City Representative, which approval shall not be unreasonably withheld, (iii) reasonable legal fees and expenses incurred by the Trustee to defend the Series 2020A Trust Estate, Series 2020B Trust Estate or the Trustee from and against any legal claims, and (iv) reasonable expenses and fees of the Trustee incurred at the request of the City Representative;

(b) taxes, assessments, insurance premiums, utility charges, maintenance, upkeep, repair and replacement with respect to the Leased Property and as otherwise required under this Lease;

(c) rebate payments as provided in the Lease; and

(d) all other charges and costs (together with all interest and penalties that may accrue thereon in the event that the City shall fail to pay the same, as specifically set forth in this Lease) which the City agrees to assume or pay as Additional Rentals under this Lease.

Additional Rentals shall not include Base Rentals.

“Additional Series 2020A Certificates” means Additional Series 2020A Certificates which may be executed and delivered pursuant to the Indenture.

“Additional Series 2020B Certificates” means Additional Series 2020B Certificates which may be executed and delivered pursuant to the Indenture.
“Appropriation” means the action of the City Council in annually making moneys available for all payments due under this Lease, including the payment of Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals.

“Approval of Special Counsel” means an opinion of Special Counsel to the effect that the matter proposed will not adversely affect the excludability from gross income for federal income tax purposes of the Series 2020B Interest Portion of the Series 2020B Base Rentals paid by the City under this Lease and attributable to the Series 2020B Certificates.

“Base Rentals” means the rental payments payable by the City during the Lease Term, including both Series 2020A Base Rentals and Series 2020B Base Rentals, which constitute payments payable by the City for and in consideration of the right to possess and use the Leased Property as set forth in Exhibit C (Base Rentals Schedule) hereto, as it may be amended from time to time. Base Rentals does not include Additional Rentals.

“Base Rentals Payment Dates” means the Base Rentals Payment Dates set forth in Exhibit C (Base Rentals Schedule) hereto.

“Business Day” means any day, other than a Saturday, Sunday or legal holiday or a day (a) on which banks located in Denver, Colorado are required or authorized by law or executive order to close or (b) on which the Federal Reserve System is closed.

“Certificates” means the Series 2020A Taxable Certificates and the Series 2020B Certificates, dated as of their date of delivery, executed and delivered pursuant to the Indenture. As used herein, the term “Certificates” does not include “Additional Series 2020A Certificates” or “Additional Series 2020B Certificates.”

“City” means the City of Lakewood, Colorado.

“City Council” means the City Council of the City or any successor to its functions.

“City Manager” means the City Manager to the City or his or her successor in function.

“City Representative” means the Mayor of the City, the City Manager or such other person at the time designated to act on behalf of the City for the purpose of performing any act under this Lease, the Site Lease or the Indenture by a written certificate furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of the City by the Mayor of the City.

“Costs of Execution and Delivery” means all items of expense directly or indirectly payable by the Trustee related to the authorization, execution and delivery of the Site Lease and this Lease and related to the authorization, sale, execution and delivery of the Certificates, as further defined in the Indenture.

“Counsel” means an attorney at law or law firm (who may be counsel for the Trustee).

“CRS” means Colorado Revised Statutes.
“Escrow Agent” means U.S. Bank National Association, and its successor and assigns pursuant to the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated September 1, 2020, between the Escrow Agent and the City, relating the partial defeasance of the Series 2006A Certificates.

“Event(s) of Lease Default” means any event as defined in Section 15.1 of this Lease.

“Event of Non-appropriation” means the termination and non-renewal of this Lease by the City, determined by the City Council’s failure, for any reason, to appropriate by the last day of each Fiscal Year: (a) sufficient amounts to be used to pay Series 2020A Base Rentals due in the next Fiscal Year; (b) sufficient amounts to be used to pay Series 2020B Base Rentals due in the next Fiscal Year; and (c) sufficient amounts to pay such Additional Rentals as are estimated to become due in the next Fiscal Year, as provided in Section 7.2 of this Lease. An Event of Non-appropriation may also occur under certain circumstances described in Section 11.3(c) of this Lease. The term also means a notice under this Lease of the City’s intention to not renew and therefore terminate this Lease or an event described in this Lease relating to the exercise by the City of its right to not appropriate amounts due as Additional Rentals in excess of the amounts for which an Appropriation has been previously effected.

“Fiscal Year” means the City’s fiscal year, which begins on January 1 of each calendar year and ends on December 31 of the same calendar year, or any other twelve-month period which the City or other appropriate authority hereafter may establish as the City’s fiscal year.

“Force Majeure” means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America, the State of Colorado or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; declared pandemics; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other cause or event not within the control of the City in its capacity as lessee hereunder or the Trustee.

“Hazardous Substance” means and includes: (a) the terms “hazardous substance,” “release” and “removal” which, as used herein, shall have the same meaning and definition as set forth in paragraphs (14), (22) and (23), respectively, of Title 42 U.S.C. §9601 and in Colorado law, provided, however, that the term “hazardous substance” as used herein shall also include “hazardous waste” as defined in paragraph (5) of 42 U.S.C. §6903 and “petroleum” as defined in paragraph (8) of 42 U.S.C. §6991; (b) the term “superfund” as used herein means the Comprehensive Environmental Response, Compensation and Liability Act, as amended, being Title 42 U.S.C. §9601 et seq., as amended, and any similar State of Colorado statute or local ordinance applicable to the Leased Property, including, without limitation, Colorado rules and regulations promulgated, administered and enforced by any governmental agency or authority pursuant thereto; and (c) the term “underground storage tank” as used herein shall have the same meaning and definition as set forth in paragraph (1) of 42 U.S.C. §6991.

“Indenture” means the Indenture of Trust, dated as of September 1, 2020, entered into by the Trustee, as the same may be amended or supplemented.
“Initial Purchaser” means FirstBank, and its successors, as the initial purchaser of all the Certificates. All references to Initial Purchaser hereunder shall be applicable for so long as, and only to the extent that, the Initial Purchaser is the sole owner of all Outstanding Certificates. All references herein to Initial Purchaser shall be of no force and effect in the event that the Initial Purchaser is not the sole Owner of all Outstanding Certificates.

“Initial Term” means the period which commences on the date of delivery of this Lease and terminates on December 31, 2020.

“Lease” means this Lease Purchase Agreement, dated as of September 1, 2020, between the Trustee, as lessor, and the City, as lessee, as the same may hereafter be amended.

“Lease Remedy” or “Lease Remedies” means any or all remedial steps provided in this Lease whenever an Event of Lease Default or an Event of Non-appropriation has happened and is continuing, which may be exercised by the Trustee as provided in this Lease and in the Indenture.

“Lease Term” means the Initial Term and any Renewal Terms as to which the City may exercise its option to renew this Lease by effecting an Appropriation of funds for the payment of Base Rentals and Additional Rentals hereunder, as provided in and subject to the provisions of this Lease. “Lease Term” refers to the time during which the City is the lessee of the Leased Property under this Lease.

“Leased Property” means the real property and the premises, buildings and improvements situated thereon, including all fixtures attached thereto, as more particularly described in Exhibit A to this Lease, together with any and all additions and modifications thereto, substitutions and replacements thereof, including, without limitation, the easements, rights of way, covenants and other rights set forth in the documents listed on Exhibit B attached hereto.

“Net Proceeds” means the proceeds of any performance or payment bond, or proceeds of insurance, including self-insurance, required by this Lease or proceeds from any condemnation award, or any proceeds derived from the exercise of any Lease Remedy or otherwise following termination of this Lease by reason of an Event of Non-appropriation or an Event of Lease Default, allocable to the Leased Property, less: (a) all related expenses (including, without limitation, attorney’s fees and costs) incurred in the collection of such proceeds or award; and (b) all other related fees, expenses and payments due to the City and the Trustee.

“Permitted Encumbrances” with respect to the Leased Property, means, as of any particular time: (a) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pending contest pursuant to the provisions of this Lease; (b) the Site Lease, this Lease, the Indenture and any related fixture filing and any liens arising or granted pursuant to the Site Lease, this Lease or the Indenture; (c) utility, access and other easements and rights of way, licenses, permits, party wall and other agreements, restrictions and exceptions which the City Representative certifies will not materially interfere with or materially impair the use or value of the Leased Property, including rights or privileges in the nature of easements, licenses, permits and agreements as provided in this Lease; (d) any sublease of the Leased Property that are permitted pursuant to the terms and provisions of Section 14.2 hereof; and (e) the easements, covenants, restrictions, liens and encumbrances (if any) to which title to the Leased Property was
subject when leased to the Trustee pursuant to the Site Lease, as shown on Exhibit B hereto and which the City Representative certifies do not and will not interfere in any material way with the intended use of the Leased Property.

“Purchase Option Price” means the amount payable on any date, at the option of the City, to defease the Indenture, prepay Series 2020A Base Rentals, prepay Series 2020B Base Rentals, terminate the Lease Term and purchase the Trustee’s leasehold interest in the Leased Property as provided herein and in the Indenture.

“Renewal Term” means any portion of the Lease Term commencing on January 1 of any calendar year and terminating on or before December 31 of such calendar year as provided in Article 5 of this Lease.

“Series 2020A Base Rentals” means the portion of the Base Rentals related to the Series 2020A Refunding Project, as set forth in Exhibit C (Base Rentals Schedule) hereto, as it may be amended from time to time.

“Series 2020A Interest Portion” means the portion of each Series 2020A Base Rentals payment that represents the payment of interest set forth in Exhibit C (Base Rentals Schedule) hereto, as it may be amended from time to time.

“Series 2020A Owners” means the registered owners of any Series 2020A Taxable Certificates or Additional Series 2020A Certificates. The Initial Purchaser shall be the initial registered owner of all of the Series 2020A Taxable Certificates.

“Series 2020A Prepayment” means any amount paid by the City pursuant to the provisions of this Lease as a prepayment of the Series 2020A Base Rentals due hereunder.

“Series 2020A Principal Portion” means the portion of each Series 2020A Base Rentals payment that represents the payment of principal set forth in Exhibit C (Base Rentals Schedule) hereto.

“Series 2020A Refunding Project” means the portion of the moneys received in connection with the execution of the Site Lease and this Lease used to refinance the portion of the City’s obligations under the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund.

“Series 2020A Revenues” means (a) all amounts payable by or on behalf of the City or with respect to the Leased Property related to the Series 2020A Taxable Certificates or Series 2020A Refunding Project pursuant to this Lease including, but not limited to, all Series 2020A Base Rentals, Series 2020A Prepayments, the Purchase Option Price and Net Proceeds, but not including Additional Rentals; (b) any portion of the proceeds of the Series 2020A Taxable Certificates or the Additional Series 2020A Certificates deposited into the Series 2020A Base Rentals Fund; and (c) any moneys and securities, including investment income, held by the Trustee in the Series 2020A Base Rentals Fund, Series 2020A Costs of Execution and Delivery Fund or any other fund established under the Indenture related to the Series 2020A Taxable Certificates.

“Series 2020A Taxable Certificates” means the “Certificates of Participation, Series 2020A, Evidencing Proportionate Interests in the Series 2020A Base Rentals and other Series
2020A Revenues under an annually renewable Lease Purchase Agreement dated as of September 1, 2020, between U.S. Bank National Association, solely in its capacity as trustee under the Indenture, as lessor, and the City of Lakewood, Colorado, as lessee” dated as of their date of delivery, executed and delivered pursuant to the Indenture, and issued in order to effectuate the Series 2020A Refunding Project. As used herein, the term “Series 2020A Taxable Certificates” does not include “Additional Series 2020A Certificates.”

“Series 2020A Trust Estate” means all of the property placed in trust by the Trustee necessary to secure the payment of principal of, premium if any, and interest on the Series 2020A Taxable Certificates pursuant to the Indenture.

“Series 2020B Base Rentals” means the portion of the Base Rentals related to the Series 2020B Irrigation Project, as set forth in Exhibit C (Base Rentals Schedule) hereto, as it may be amended from time to time.

“Series 2020B Certificates” means the “Certificates of Participation, Series 2020B, Evidencing Proportionate Interests in the Series 2020B Base Rentals and other Series 2020B Revenues under an annually renewable Lease Purchase Agreement dated as of September 1, 2020, between U.S. Bank National Association, solely in its capacity as trustee under the Indenture, as lessor, and the City of Lakewood, Colorado, as lessee” dated as of their date of delivery, executed and delivered pursuant to the Indenture, and issued in order to effectuate the Series 2020B Irrigation Project. As used herein, the term “Series 2020B Certificates” does not include “Additional Series 2020B Certificates.”

“Series 2020B Interest Portion” means the portion of each Series 2020B Base Rentals payment that represents the payment of interest set forth in Exhibit C (Base Rentals Schedule) hereto, as it may be amended from time to time.

“Series 2020B Irrigation Project” means the portion of the moneys received in connection with the execution of the Site Lease and this Lease used to finance the design, construction, installation, acquisition, renovation, replacement, maintenance and repair of irrigation system improvements, and related appurtenances, at the Fox Hollow Golf Course.

“Series 2020B Owners” means the registered owners of any Series 2020B Certificates or Additional Series 2020B Certificates. The Initial Purchaser shall be the initial registered owner of all of the Series 2020B Certificates.

“Series 2020B Prepayment” means any amount paid by the City pursuant to the provisions of this Lease as a prepayment of the Series 2020B Base Rentals due hereunder.

“Series 2020B Principal Portion” means the portion of each Series 2020B Base Rentals payment that represents the payment of principal set forth in Exhibit C (Base Rentals Schedule) hereto.

“Series 2020B Revenues” means: (a) all amounts payable by or on behalf of the City or with respect to the Leased Property related to the Series 2020B Certificates or Series 2020B Irrigation Project pursuant to this Lease including, but not limited to, all Series 2020B Base Rentals, Series 2020B Prepayments, the Purchase Option Price and Net Proceeds, but not including
Additional Rentals; (b) any portion of the proceeds of the Series 2020B Certificates or the Additional Series 2020B Certificates deposited into the Series 2020B Base Rentals Fund; (c) any moneys which may be derived from any insurance in respect of the Series 2020B Certificates; and (d) any moneys and securities, including investment income, held by the Trustee in the Series 2020B Base Rentals Fund, Series 2020B Costs of Execution and Delivery Fund or any other fund established under the Indenture related to the Series 2020B Certificates (except for moneys and securities held in the Rebate Fund or any defeasance escrow account).

“Series 2020B Trust Estate” means all of the property placed in trust by the Trustee necessary to secure the payment of principal of, premium if any, and interest on the Series 2020B Certificates pursuant to the Indenture.

“Site Lease” means the Site Lease, dated as of September 1, 2020, between the City, as lessor, and the Trustee, as lessee, as the same may hereafter be amended.

“Special Counsel” means any counsel experienced in matters of municipal and federal tax law and listed in the list of municipal bond attorneys, as published semiannually by The Bond Buyer, or any successor publication. So long as the Lease Term is in effect, the City shall have the right to select Special Counsel.

“Tax Certificate” means the Federal Tax Exemption Certificate entered into by the City with respect to this Lease and the Series 2020B Certificates.


“Trustee” means U.S. Bank National Association, acting solely in the capacity of trustee pursuant to the Indenture, and any successor thereto appointed under the Indenture.
ARTICLE 2
REPRESENTATIONS AND COVENANTS

Section 2.1 Representations and Covenants of the City. The City represents and covenants to the Trustee, to the extent permitted by law and subject to renewal of this Lease and Appropriation as set forth in Article 7 hereof, as follows:

(a) The City is a home rule municipal corporation and political subdivision duly organized and existing within the State under the Constitution, laws of the State and the Charter. The City is authorized to enter into this Lease and the Site Lease and to carry out its obligations under this Lease and the Site Lease. The City has duly authorized and approved the execution and delivery of this Lease, the Site Lease and all other documents related to the execution and delivery of this Lease and the Site Lease.

(b) The City owns the Leased Property and the Trustee has a leasehold interest in the Leased Property pursuant to the Site Lease.

(c) The leasing of the Leased Property to the Trustee pursuant to the Site Lease and the leasing of the Leased Property from the Trustee, under the terms and conditions provided for in this Lease, and the completion of the Series 2020A Refunding Project and the Series 2020B Irrigation Project, are in the best interests of the City and serve a valid public purpose. The City will apply the net proceeds derived from the proceeds of the Series 2020A Taxable Certificates, together with other legally available monies of the City, to finance the Series 2020A Refunding Project and to pay the Costs of Execution and Delivery, and the City will apply the net proceeds of the Series 2020B Certificates, together with other legally available monies of the City, to finance the Series 2020B Irrigation Project and to further pay the Costs of Execution and Delivery.

(d) Neither the execution and delivery of this Lease and the Site Lease, nor the fulfillment of or compliance with the terms and conditions of this Lease and the Site Lease, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City or its property is bound, or violates any statute, regulation, rule, order of any court having jurisdiction, judgment or administrative order applicable to the City, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien or encumbrance whatsoever upon any of the property or assets of the City, except for Permitted Encumbrances.

(e) The City agrees that, except for non-renewal and non-appropriation as set forth in Article 7 hereof, if the City fails to perform any act which the City is required to perform under this Lease, the Trustee may, but shall not be obligated to, perform or cause to be performed such act, and any reasonable expense incurred by the Trustee in connection therewith shall be an obligation owing by the City (from moneys for which an Appropriation has been effected) to the Trustee shall be a part of Additional Rentals, and the Trustee shall be subrogated to all of the rights of the party receiving such payment.
(f) There is no litigation or proceeding pending against the City affecting the right of the City to execute this Lease or the Site Lease or the ability of the City to make the payments required hereunder, or to otherwise comply with the obligations contained herein, or which, if adversely determined, would, in the aggregate or in any case, materially adversely affect the property, assets, financial condition or business of the City or materially impair the right or ability of the City to carry on its operations substantially as now conducted or anticipated to be conducted in the future.

(g) The Basic Financial Statements of the City for the fiscal year ended December 31, 2019, and the independent auditors’ report with respect thereto, a copy of which has heretofore been furnished to the Initial Purchaser, is complete and correct and fairly presents the financial condition of the City at such date and for such period. Since the most recent date of the information, financial or otherwise, supplied by the City to the Initial Purchaser, there has been no material adverse change in the assets, liabilities, financial position or results of operations of the City which has not been disclosed in writing to the Initial Purchaser.

(h) Except for customary materials necessary for construction, operation, cleaning and maintenance of the Leased Property, the City shall not cause or permit any Hazardous Substance to be brought upon, generated at, stored or kept in or about the Leased Property without prior written notice to the Trustee and the Initial Purchaser, and all Hazardous Substances, including customary materials necessary for construction, operation, cleaning and maintenance of the Leased Property, will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Substance so brought upon or used or kept in or about the Leased Property. If the presence of any Hazardous Substance on the Leased Property caused or permitted by the City results in contamination of the Leased Property, or if contamination of the Leased Property by any Hazardous Substance otherwise occurs for which the City is legally liable for damage resulting therefrom, then the City shall include as an Additional Rental any amount necessary to reimburse the Trustee and the Initial Purchaser for legal expenses incurred to defend (to the extent that an Appropriation for the necessary moneys has been effected by the City) the Trustee and the Initial Purchaser from claims for damages, penalties, fines, costs, liabilities or losses. The reimbursement of the Trustee’s and the Initial Purchaser’s legal expenses is not an indemnification. It is expressly understood that the City is not indemnifying the Trustee or the Initial Purchaser, and expenses of such defense shall constitute Additional Rentals. Without limiting the foregoing, if the presence of any Hazardous Substance on the Leased Property caused or permitted by the City results in any contamination of the Leased Property, the City shall provide prior written notice to the Trustee and the Initial Purchaser and promptly take all actions at its sole expense (which expenses shall constitute Additional Rentals) as are necessary to effect remediation of the contamination in accordance with legal requirements.

(i) The City covenants and agrees to comply with any applicable covenants and requirements of the City set forth in the Tax Certificate.

(j) Except as otherwise disclosed to the Initial Purchaser, the City has never failed to appropriate any of its payment or performance obligations or covenants, either
under any municipal lease of the same general nature of this Lease or under any of its other annually renewable obligations.

Section 2.2 Representations and Covenants of the Trustee. The Trustee represents and covenants as follows:

(a) So long as no Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default (both as defined in the Indenture) has occurred and is then continuing or existing, except as specifically provided in the Site Lease or this Lease or as necessary to transfer the Series 2020A Trust Estate and Series 2020B Trust Estate to a successor Trustee, the Trustee shall not pledge or assign the Trustee’s right, title and interest in and to: (i) this Lease or the Site Lease; (ii) the Series 2020A Base Rentals, other Series 2020A Revenues and collateral, security interests and attendant rights and obligations which may be derived under this Lease or the Site Lease; (iii) the Series 2020B Base Rentals, other Series 2020B Revenues and collateral, security interests and attendant rights and obligations which may be derived under this Lease or the Site Lease; and/or (iv) the Leased Property and any reversion therein or any of its or the Trustee’s other rights under this Lease or the Site Lease or assign, pledge, mortgage, encumber or grant a security interest in its or the Trustee’s right, title and interest in, to and under this Lease or the Site Lease or the Leased Property except for Permitted Encumbrances.

(b) Neither the execution and delivery of this Lease and the Site Lease or the Indenture by the Trustee, nor the fulfillment of or compliance with the terms and conditions thereof and hereof, nor the consummation of the transactions contemplated thereby or hereby conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee is bound, or constitutes a default under any of the foregoing.

(c) There is no litigation or proceeding pending against the Trustee affecting the right of the Trustee to execute this Lease and the Site Lease or to execute the Indenture, and perform its obligations thereunder or hereunder, except such litigation or proceeding as has been disclosed in writing to the City on or prior to the date the Indenture is executed and delivered.

(d) The Trustee acknowledges and agrees that so long as the Initial Purchaser is the sole Owner of all the Outstanding Certificates, the Initial Purchaser shall have the right to direct the remedies to be taken by the Trustee hereunder and under the Site Lease and the Indenture. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in the Indenture. The Trustee agrees that, so long as the Initial Purchaser is the sole Owner of all Outstanding Certificates, the Trustee shall promptly provide written notice of the occurrence of any Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default to the Initial Purchaser.

Section 2.3 Nature of Lease. The City and the Trustee acknowledge and agree that the Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals hereunder shall constitute currently budgeted and appropriated expenditures of the City and may be paid from any legally available funds. The City’s obligations under this Lease shall be subject to the City’s annual right to terminate this Lease (as further provided herein), and shall not constitute a mandatory charge or requirement in any ensuing Fiscal Year beyond the then current Fiscal Year.
No provision of this Lease shall be construed or interpreted as creating a general obligation, multiple fiscal year financial obligation, or other indebtedness of the City within the meaning of any constitutional or statutory debt limitation. No provision of this Lease shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of Article XI, Sections 1 or 2 of the Colorado Constitution. Neither this Lease nor the execution and delivery of the Certificates shall directly or indirectly obligate the City to make any payments beyond those duly budgeted and appropriated for the City’s then current Fiscal Year. The City shall be under no obligation whatsoever to exercise its option to purchase the Trustee’s leasehold interest in the Leased Property. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of City moneys, nor shall any provision of this Lease restrict the future issuance of any City bonds or obligations payable from any class or source of City moneys (provided, however, certain restrictions in the Indenture shall apply to the issuance of Additional Series 2020A Certificates and Additional Series 2020B Certificates). In the event that this Lease is not renewed by the City, the sole security available to the Trustee, as lessor hereunder, shall be the Leased Property.

Section 2.4 City Acknowledgment of Certain Matters. The City acknowledges the Indenture and the execution and delivery by the Trustee of the Certificates pursuant to the Indenture. The City also acknowledges the Trustee’s authority to act on behalf of the Owners of the Certificates with respect to all rights, title and interests of the Trustee in, to and under this Lease, the Site Lease and the Leased Property.

The City further acknowledges and agrees that the Certificates have not been and are not expected to be rated by a nationally recognized organization which regularly rates such certificates, assigned a CUSIP number, or registered with or made eligible for registration with any securities depository, including but not limited to the Depository Trust Company, New York, New York.

Section 2.5 Relationship of City and Trustee. The relationship of the City and the Trustee under this Lease is, and shall at all times remain, solely that of lessee and lessor; and the City neither undertakes nor assumes any responsibility or duty to the Trustee or to any third party with respect to the Trustee’s obligations relating to the Leased Property; and the Trustee does not undertake or assume any responsibility or duty to the City or to any third party with respect to the City’s obligations relating to the Leased Property. Notwithstanding any other provisions of this Lease: (a) the City and the Trustee are not, and do not intend to be construed to be, partners, joint ventures, members, alter egos, managers, controlling persons or other business associates or participants of any kind of either of the other, and the City and the Trustee do not intend to ever assume such status; and (b) the City and the Trustee shall not be deemed responsible for, or a participant in, any acts, omissions or decisions of either of the other.
ARTICLE 3
LEASE OF THE LEASED PROPERTY

The Trustee demises and leases the Leased Property to the City and the City leases the Leased Property from the Trustee, in accordance with the provisions of this Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term.

The City and the Trustee acknowledge that the City owns the Leased Property and the City has leased the Leased Property to the Trustee pursuant to the Site Lease; and the City and the Trustee intend that there be no merger of the City’s interests as sublessee under this Lease and the City’s ownership interest in the Leased Property so as to cause the cancellation of the Site Lease or this Lease, or an impairment of the leasehold and subleasehold interest intended to be created by the Site Lease and this Lease.
ARTICLE 4
PAYMENTS BY THE TRUSTEE

Upon the execution and delivery of the Site Lease and this Lease, the Trustee shall deposit the amount of $[1,300,000] with the Escrow Agent pursuant to the terms of the Site Lease, Indenture and Escrow Agreement, to defease the portion of the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund and otherwise complete the Series 2020A Refunding Project. Such amounts shall be disbursed by the Escrow Agent in accordance with the terms of the Escrow Agreement. The City hereby further authorizes the payment of the Series 2006A Certificates in the manner and form provided by the Escrow Agreement, authorizes the purchase of the Federal Securities described in the Escrow Agreement, and authorizes the completion and execution of the Escrow Agreement.

Upon the execution and delivery of the Site Lease and this Lease, the Trustee shall pay to City the amount of $[4,555,000] pursuant to the terms of the Site Lease and Indenture, less any amounts deposited to the Cost of Execution and Delivery Fund in accordance with the Indenture. The City will use this amount to pay costs related to the Series 2020B Irrigation Project.

The City reserves the right to modify or add items to the Leased Property. No such change in the Leased Property shall increase the amount of moneys required to be deposited by the Trustee pursuant to this Article, or alter the Base Rentals set forth in Exhibit A. The Trustee shall have no obligation whatsoever with the operation of the Leased Property other than the obligations to provide the City the proceeds of the Site Lease as set forth therein and in this Article.
ARTICLE 5
LEASE TERM

Section 5.1 Duration of Lease Term. The Lease Term shall commence as of the date hereof. The Initial Term shall terminate on December 31, 2020. This Lease may be renewed, solely at the option of the City, for nineteen (19) Renewal Terms, provided, however, that the Lease Term shall terminate no later than December 1, 2039, except that the Renewal Term beginning on January 1, 2039 shall terminate upon the City’s payment of the final Base Rental payment as set forth in Exhibit C. The City hereby finds that the maximum Lease Term hereunder does not exceed the weighted average useful life of the Leased Property. The City further determines and declares that the period during which the City has an option to purchase the Trustee’s leasehold interest in the Leased Property (i.e. the entire maximum Lease Term) does not exceed the useful life of the Leased Property.

The City Manager or other officer of the City at any time charged with the responsibility of formulating budget proposals for the City is hereby directed to include in the annual budget proposals submitted to the City Council, in any year in which this Lease shall be in effect, items for all payments required for the ensuing Renewal Term under this Lease until such time, if any, as the City may determine to not renew and terminate this Lease. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the City that any decision to effect an Appropriation for the Base Rentals and Additional Rentals shall be made solely by the City Council in its absolute discretion and not by any other official of the City, as further provided in the following paragraph. During the Lease Term, the City shall in any event, whether or not the Lease is to be renewed, furnish the Trustee with copies of its annual budget promptly after the budget is adopted.

Not later than December 15 of the then current Initial Term or any Renewal Term the City Representative shall give written notice (in substantially the form set forth in Exhibit D attached hereto) to the Trustee that either:

(a) the City has effected or intends to effect on a timely basis an Appropriation for the ensuing Fiscal Year which includes: (1) sufficient amounts authorized and directed to be used to pay all of the Series 2020A Base Rentals and Series 2020B Base Rentals; and (2) sufficient amounts to pay such Additional Rentals as are estimated to become due, all as further provided in Sections 7.2 and 7.3 of this Lease, whereupon this Lease shall be renewed for the ensuing Fiscal Year; or

(b) the City has determined, for any reason, not to renew this Lease for the ensuing Fiscal Year.

Subject to the provisions of Section 7.4(a), the failure to give such notice shall not constitute an Event of Lease Default, nor prevent the City from electing not to renew this Lease, nor result in any liability on the part of the City. The City’s option to renew or not to renew this Lease shall be conclusively determined by whether or not the applicable Appropriation has been made on or before December 31 of each Fiscal Year, all as further provided in Article 7 of this Lease.
The terms and conditions hereof during any Renewal Term shall be the same as the terms and conditions hereof during the Initial Term, except that the Purchase Option Price and the Base Rentals shall be as provided in Article 13 and Exhibit C (Base Rentals Schedule) hereof.

**Section 5.2 Termination of Lease Term.** The Lease Term shall terminate upon the earliest of any of the following events:

(a) the expiration of the Initial Term or any Renewal Term during which there occurs an Event of Non-appropriation pursuant to Section 5.1 and Article 7 of this Lease (provided that the Lease Term will not be deemed to have been terminated if the Event of Non-appropriation is cured as provided in Section 7.4 hereof);

(b) the conveyance of the Trustee’s leasehold interest in the Leased Property under this Lease to the City upon payment of the Purchase Option Price or all Base Rentals and Additional Rentals, for which an Appropriation has been effected by the City for such purpose, as provided in Section 13.2(a) or (b) of this Lease; or

(c) an uncured Event of Lease Default and termination of this Lease under Article 15 of this Lease by the Trustee.

Except for an event described in subparagraph (c) above, upon termination of this Lease, the City agrees to peacefully deliver possession of the Leased Property to the Trustee.

Termination of the Lease Term shall terminate all unaccrued obligations of the City under this Lease, and shall terminate the City’s rights of possession under this Lease (except to the extent of the holdover provisions of Sections 7.5 and 15.2(c)(i) hereof, and except for any conveyance pursuant to Article 13 of this Lease). All obligations of the City accrued prior to such termination shall be continuing until the Trustee gives written notice to the City that such accrued obligations have been satisfied.

Upon termination of the Lease Term any moneys received by the Trustee in excess of the amounts necessary to terminate and discharge the Indenture, shall be paid to the City.

The City shall not have the right to terminate this Lease due to a default by the Trustee under this Lease.
ARTICLE 6
ENJOYMENT OF THE LEASED PROPERTY

Section 6.1 Trustee’s Covenant of Quiet Enjoyment. The Trustee hereby covenants that the City shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Trustee. The Trustee shall not interfere with the quiet use and enjoyment of the Leased Property by the City during the Lease Term so long as no Event of Lease Default shall have occurred. The Trustee shall, at the request of the City and at the cost of the City, cooperate fully in any legal action in which the City asserts against third parties its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the City may at its own expense join in any legal action affecting its possession and enjoyment of the Leased Property and shall be joined in any action affecting its liabilities hereunder.

The provisions of this Article 6 shall be subject to the Trustee’s right to inspect the Leased Property and the City’s books and records with respect thereto as provided in Section 12.7 hereof.

Section 6.2 City’s Need for the Leased Property; Determinations as to Fair Value and Fair Purchase Price. The City has determined and hereby determines that it has a current need for the Leased Property. It is the present intention and expectation of the City that this Lease will be renewed annually until the Trustee’s interests in the Site Lease are released and unencumbered title to the Leased Property is acquired by the City pursuant to this Lease; but this declaration shall not be construed as contractually obligating or otherwise binding the City. The City has determined and hereby determines that the Base Rentals under this Lease during the Lease Term for the Leased Property represent the fair value of the use of the Leased Property and that the Purchase Option Price for the Leased Property will represent the fair purchase price of the Trustee’s interest in the Leased Property at the time of the exercise of the option. The City has determined and hereby determines that the Base Rentals do not exceed a reasonable amount so as to place the City under an economic compulsion to renew this Lease or to exercise its option to purchase the Trustee’s interest in the Leased Property hereunder. In making such determinations, the City has given consideration to the estimated current value of the Leased Property, the uses and purposes for which the Leased Property will be employed by the City, the benefit to the citizens and inhabitants of the City by reason of the use and occupancy of the Leased Property pursuant to the terms and provisions of this Lease, the City’s option to purchase the Trustee’s interest in the Leased Property and the expected eventual vesting of unencumbered title to the Leased Property in the City. The City hereby determines and declares that the period during which the City has an option to purchase the Trustee’s interest in the Leased Property (i.e., the entire maximum Lease Term for the Leased Property) does not exceed the weighted average useful life of the Leased Property.
ARTICLE 7
PAYMENTS BY THE CITY

Section 7.1 Payments to Constitute Currently Budgeted Expenditures of the City. The City and the Trustee acknowledge and agree that the Series 2020A Base Rentals, Series 2020B Base Rentals, Additional Rentals and any other obligations hereunder shall constitute currently budgeted expenditures of the City, if an Appropriation has been effected for such purpose. The City’s obligations to pay Series 2020A Base Rentals, Series 2020B Base Rentals, Additional Rentals and any other obligations under this Lease shall be from year to year only (as further provided in Article 5 and Sections 7.2 and 7.4 hereof), shall extend only to moneys for which an Appropriation has been effected by the City, and shall not constitute a mandatory charge, requirement or liability in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision of this Lease shall be construed or interpreted as a delegation of governmental powers or as creating a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City or a general obligation or other indebtedness of the City within the meaning of any constitutional or statutory debt limitation, including without limitation Article X, Section 20 of the Colorado constitution. No provision of this Lease shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of Sections 1 or 2 of Article XI of the Constitution of the State. Neither this Lease nor the Certificates shall directly or indirectly obligate the City to make any payments beyond those for which an Appropriation has been effected by the City for the City’s then current Fiscal Year. The City shall be under no obligation whatsoever to exercise its option to purchase the Trustee’s leasehold interest in the Leased Property. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of City moneys, nor shall any provision of this Lease restrict the future issuance of any City bonds or obligations payable from any class or source of City moneys (provided, however, that certain restrictions in the Indenture shall apply to the issuance of Additional Series 2020A Certificates and Additional Series 2020B Certificates).

Section 7.2 Base Rentals, Purchase Option Price and Additional Rentals.

(a) The City shall pay Series 2020A Base Rentals and Series 2020B Base Rentals for which an Appropriation has been effected by the City, directly to the Trustee during the Initial Term and any Renewal Term, on the Base Rentals Payment Dates and in the “Total Base Rentals” amounts set forth in Exhibit C (Base Rentals Schedule) attached hereto and made a part hereof. For federal and State income tax purposes, a portion of each payment of Base Rentals for the Certificates is designated and will be paid as interest, and Exhibit C (Base Rentals Schedule) hereto sets forth the Series 2020A Interest Portion and Series 2020B Interest Portion of each payment of each Series 2020A Base Rentals and Series 2020B Base Rentals, respectively, for the Certificates. The City shall receive credit against its obligation to pay Series 2020A Base Rentals to the extent moneys are held by the Trustee on deposit in the Series 2020A Base Rentals Fund and are available to pay Series 2020A Base Rentals. The City shall receive credit against its obligation to pay Series 2020B Base Rentals to the extent moneys are held by the Trustee on deposit in the Series 2020B Base Rentals Fund and are available to pay Series 2020B Base Rentals. The City acknowledges that upon receipt by the Trustee of each payment of Series 2020A Base Rentals, the Trustee, pursuant to the terms of the Indenture, is to deposit the amount of such Series 2020A Base Rentals in the Series 2020A Base Rentals Fund, and upon receipt by the Trustee of
each payment of Series 2020B Base Rentals, the Trustee, pursuant to the terms of the Indenture, is to deposit the amount of such Series 2020B Base Rentals in the Series 2020A Base Rentals Fund.

The Base Rentals set forth in Exhibit C shall also be recalculated in the event of a partial optional redemption of the Certificates or the execution and delivery of Additional Series 2020A Certificates or Additional Series 2020B Certificates as provided in the Indenture.

(b) The City may, on any date, pay the then applicable Purchase Option Price for the purpose of terminating this Lease and the Site Lease in whole and purchasing the Trustee’s leasehold interest in the Leased Property as further provided in Article 13 of this Lease. Subject to the Approval of Special Counsel, the City may also, at any time during the Lease Term, (1) prepay any portion of the Series 2020A Base Rentals and/or Series 2020B Base Rentals due under this Lease and (2) in connection with such prepayment, recalculate the Base Rentals set forth in Exhibit C (Base Rentals Schedule). The Trustee may conclusively rely upon such revised Exhibit C (Base Rentals Schedule) and has no duty to make an independent investigation in connection therewith. Any such revised Exhibit C (Base Rentals Schedule) shall be prepared by the City Representative and delivered to the Trustee. The City shall give the Trustee notice of its intention to exercise either of such options not less than forty-five (45) days in advance of the date of exercise and shall deposit with the Trustee by not later than the date of exercise an amount equal to the Purchase Option Price due on the date of exercise or the applicable amount of Series 2020A Base Rentals and/or Series 2020B Base Rentals to be prepaid. If the City shall have given notice to the Trustee of its intention to prepay Series 2020A Base Rentals and/or Series 2020B Base Rentals but shall not have deposited the amounts with the Trustee on the date specified in such notice, the City shall continue to pay Series 2020A Base Rentals and Series 2020B Base Rentals which have been specifically appropriated by the City Council for such purpose as if no such notice had been given. The Trustee may waive the right to receive forty-five (45) days advance notice and may agree to a shorter notice period in the sole determination of the Trustee.

(c) All Additional Rentals shall be paid by the City on a timely basis directly to the person or entity to which such Additional Rentals are owed. Additional Rentals shall include, without limitation, the reasonable fees and expenses of the Trustee, reasonable expenses of the Trustee in connection with the Leased Property and for the cost of taxes, insurance premiums, utility charges, maintenance and repair costs and all other expenses expressly required to be paid hereunder, including any Rebate Fund payments required pursuant to this Lease and the Indenture. All of the payments required by this paragraph are subject to Appropriation by the City; provided, however, a failure by the City to budget and appropriate moneys for any of the payments required by this paragraph shall constitute an Event of Non-appropriation.

If the City’s estimates of Additional Rentals for any Fiscal Year are not itemized in the budget required to be furnished to the Trustee under Section 5.1 of this Lease, the City shall furnish an itemization of such estimated Additional Rentals to the Trustee on or before the 15th day preceding such Fiscal Year.

Section 7.3 Manner of Payment. The Base Rentals, for which an Appropriation has been effected by the City, and, if paid, the Purchase Option Price, shall be paid or prepaid by the City to the Trustee at its corporate trust office by wire transfer of federal funds, certified funds or
other method of payment acceptable to the Trustee in lawful money of the United States of America to the Trustee at its corporate trust office.

The obligation of the City to pay the Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals as required under this Article 7 and other sections hereof in any Fiscal Year for which an Appropriation has been effected by the City for the payment thereof shall be absolute and unconditional and payment of the Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals in such Fiscal Years shall not be abated through accident or unforeseen circumstances, or any default by the Trustee under this Lease, or under any other agreement between the City and the Trustee, or for any other reason including without limitation, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Property, commercial frustration of purpose, or failure of the Trustee, to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Lease, it being the intention of the parties that the payments required by this Lease will be paid in full when due without any delay or diminution whatsoever, subject only to the annually renewable nature of the City’s obligation hereunder as set forth in Section 7.1 hereof, and further subject to the City’s rights under Section 11.3 hereof; provided, however, that the City shall be authorized to terminate this Lease at any time that there should be action by the legislature of the State, an amendment to the State Constitution, or entry of a court order which results in the obligations imposed upon the City hereunder being illegal, unconstitutional, or otherwise unenforceable. Notwithstanding any dispute between the City and the Trustee, the City shall, during the Lease Term, make all payments of Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals in such Fiscal Years and shall not withhold any Series 2020A Base Rentals, Series 2020B Base Rentals or Additional Rentals, for which an Appropriation has been effected by the City, pending final resolution of such dispute (except to the extent permitted by Sections 9.2 and 10.3 hereof with respect to certain Additional Rentals), nor shall the City assert any right of set-off or counterclaim against its obligation to make such payments required hereunder. No action or inaction on the part of the Trustee shall affect the City’s obligation to pay all Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the City for such purpose, in such Fiscal Years subject to this Article (except to the extent provided by Sections 9.2 and 10.3 hereof with respect to certain Additional Rentals).

Section 7.4 Event of Non-appropriation. In the event that the City gives notice that it intends to not renew this Lease as provided by Section 5.1 hereof, or the City shall not effect an Appropriation, on or before December 31 of each Fiscal Year, of moneys to pay all Series 2020A Base Rentals, all Series 2020B Base Rentals and reasonably estimated Additional Rentals coming due for the next ensuing Renewal Term as provided in Section 5.1 hereof and this Article, or in the event that the City is proceeding under the provisions of Section 11.3(c) hereof (when applicable), an Event of Non-appropriation shall be deemed to have occurred, as applicable; subject, however, to each of the following provisions:

(a) In the event the Trustee does not receive the written notice provided for by Section 5.1 hereof or evidence that an Appropriation has been effected by the City on or before December 31 of a Fiscal Year, then the Trustee shall declare an Event of Non-appropriation, on the first Business Day of the February following such Fiscal Year or such declaration shall be made on any earlier date on which the Trustee receives official, specific
written notice from the City that this Lease will not be renewed; provided that the Trustee’s failure to declare an Event of Non-appropriation on such date shall not be construed as a waiver of the Event of Non-appropriation or the consequences of such an event under this Lease. In order to declare an Event of Non-appropriation, the Trustee shall send written notice thereof to the City.

(b) The Trustee shall waive any Event of Non-appropriation which is cured by the City, within 30 days of the receipt by the City of notice from the Trustee as provided in (a) above, by a duly effected Appropriation to pay all Series 2020A Base Rentals, Series 2020B Base Rentals and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term.

(c) Pursuant to the terms of the Indenture, the Trustee may, with the prior written consent of the Initial Purchaser, waive any Event of Non-appropriation which is cured by the City within a reasonable time with the procedure described in (b) above.

In the event that during the Initial Term or any Renewal Term, any Additional Rentals shall become due which were not included in a duly effected Appropriation and moneys are not specifically budgeted and appropriated or otherwise made available to pay such Additional Rentals within 60 days subsequent to the date upon which such Additional Rentals are due, an Event of Non-appropriation shall be deemed to have occurred, upon notice by the Trustee to the City to such effect (subject to waiver by the Trustee as hereinbefore provided).

If an Event of Non-appropriation occurs, the City shall not be obligated to make payment of the Series 2020A Base Rentals, Series 2020B Base Rentals or Additional Rentals, or any other payments provided for herein which accrue after the last day of the Initial Term or any Renewal Term during which such Event of Non-appropriation occurs; provided, however, that, subject to the limitations of Sections 7.1 and 15.3 hereof, the City shall continue to be liable for Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals allocable to any period during which the City shall continue to occupy, use or retain possession of the Leased Property.

Subject to Section 7.5 hereof, the City shall in all events vacate or surrender possession of the Leased Property by March 1 of the Renewal Term in respect of which an Event of Non-appropriation has occurred.

After March 1 of the Renewal Term in respect of which an Event of Non-appropriation has occurred, the Trustee may proceed to exercise all or any Lease Remedies.

The City acknowledges that, upon the occurrence of an Event of Non-appropriation: (a) the Trustee shall be entitled to all moneys then being held in the Series 2020A Base Rentals Fund, the Series 2020A Costs of Execution and Delivery Fund, the Series 2020B Base Rentals Fund, the Series 2020B Costs of Execution and Delivery Fund and in all other funds created under the Indenture (except the Rebate Fund and any defeasance escrow accounts) to be used as described therein and (b) all property, funds and rights then held or acquired by the Trustee upon the termination of this Lease by reason of an Event of Non-appropriation are to be held by the Trustee in accordance with the terms of the Indenture.
Notwithstanding anything herein to the contrary, so long as the Initial Purchaser is the sole Owner of the Outstanding Certificates, upon the occurrence of an Event of Non-appropriation or Event of Lease Default as described herein or in the Indenture, the Trustee shall provide written notice thereof to the Initial Purchaser and shall proceed in accordance with any written instructions received by the Initial Purchaser. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in the Indenture.

Section 7.5 Holdover Tenant. If the City fails to vacate the Leased Property after termination of this Lease, whether as a result of the occurrence of an Event of Non-appropriation, or an Event of Lease Default as provided in Section 15.2(a) hereof, with the written permission of the Trustee it will be deemed to be a holdover tenant on a month-to-month basis, and will be bound by all of the other terms, covenants and agreements of this Lease. Any holding over by the City without the written permission of the Trustee shall be at sufferance. The amount of rent to be paid monthly during any period when the City is deemed to be a holdover tenant will be equal to (a) one-third of the Series 2020A Interest Portion of the Series 2020A Base Rentals and one-third of the Series 2020B Interest Portion of the Series 2020B Base Rentals coming due on the next succeeding Base Rentals Payment Date, plus one-twelfth of the Series 2020A Principal Portion of the Series 2020A Base Rentals and one-twelfth of the Series 2020B Principal Portion of the Series 2020B Base Rentals coming due on the next succeeding Base Rentals Payment Date on which a Series 2020A Principal Portion or Series 2020B Principal Portion of the Base Rentals would have been payable with appropriate adjustments to ensure the full payment of such amounts on the due dates thereof in the event termination occurs during a Renewal Term plus (b) Additional Rentals as the same shall become due.

Section 7.7 Prohibition of Adverse Budget or Appropriation Modifications. To the extent permitted by law, the City shall not, during any Fiscal Year of the Lease Term, make any budgetary transfers or other modifications to its then existing budget and appropriation measures relating to the Leased Property or this Lease which would adversely affect the City’s ability to meet its obligation to pay Base Rentals and duly budgeted and appropriated Additional Rentals hereunder.

Section 7.8 Supplemental Public Securities Act Provision. Pursuant to the ordinance of the City Council of the City authorizing the execution and delivery of this Lease and the Site Lease, the City has elected to apply all of the Supplemental Act to the Certificates. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, such recital shall be conclusive evidence of the validity and the regularity of the execution of Certificates and this Lease after its delivery for value.
ARTICLE 8
SITE LEASE; TITLE INSURANCE

Section 8.1 Site Lease. At the time of the execution and delivery of this Lease, the City shall have leased to the Trustee, and the Trustee shall have leased from the City, the Leased Property pursuant to the Site Lease. As further provided in Section 9.1 hereof, a leasehold interest in the Leased Property shall be held by the Trustee, subject to this Lease.

Section 8.2 Title Insurance. The Trustee shall be provided with a Leasehold Owner’s title insurance policy insuring the Trustee’s leasehold estate in the Leased Property under the Site Lease, subject only to Permitted Encumbrances, with such policy to be in an amount not less than the aggregate principal amount of the Certificates or such lesser amount as shall be the maximum insurable value of the Leased Property. Such policy, or a binding commitment therefor, shall be provided to the Trustee concurrently with the execution and delivery of the Certificates and in connection with the issuance of any Additional Series 2020A Certificates or Additional Series 2020B Certificates.
ARTICLE 9
TITLE TO LEASED PROPERTY;
LIMITATIONS ON ENCUMBRANCES

Section 9.1 Title to the Leased Property. At all times during the Lease Term, title to the Leased Property shall remain in the City, subject to the Site Lease, this Lease, the Indenture and any other Permitted Encumbrances. Except personal property purchased by the City at its own expense pursuant to Section 10.2 of this Lease, a leasehold estate in the Leased Property and any and all additions and modifications thereto and replacements thereof shall be held in the name of the Trustee until the Trustee has exercised Lease Remedies or until the Trustee’s leasehold interest in the Leased Property is conveyed to the City as provided in Article 13 of this Lease, or until termination of the Site Lease, notwithstanding: (i) the occurrence of an Event of Non-appropriation as provided in Section 7.4 of this Lease, respectively, or one or more Events of Lease Default as defined in Section 15.1 of this Lease; (ii) the occurrence of any event of damage, destruction, condemnation or construction defect or title defect, as provided in Article 11 of this Lease; or (iii) the violation by the Trustee (or by the Trustee as assignee of the Lessor pursuant to the Indenture) of any provision of the Site Lease or this Lease.

Section 9.2 No Encumbrance, Mortgage or Pledge of the Leased Property. Except as may be permitted by this Lease, the City shall not permit any mechanic’s or other lien to be established or remain against the Leased Property; provided that, if the City shall first notify the Trustee of the intention of the City to do so, the City may in good faith contest any mechanic’s or other lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee shall notify the City that, in the opinion of Counsel, by nonpayment of any such items the Trustee’s interest in the Leased Property will be materially endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay and cause to be satisfied and discharged all such unpaid items (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such items). The Trustee will cooperate in any such contest. Except as may be permitted by this Lease, the City shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, except Permitted Encumbrances. The City shall promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above.
ARTICLE 10
MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

Section 10.1 Maintenance of the Leased Property by the City. Subject to its right to not appropriate and as otherwise provided in Section 11.3 hereof, the City agrees that at all times during the Lease Term, the City will maintain, preserve and keep the Leased Property or cause the Leased Property to be maintained, preserved and kept, in good repair, working order and condition, and from time to time make or cause to be made all necessary and proper repairs, including replacements, if necessary. The Trustee shall have no responsibility in any of these matters or for the making of any additions, modifications or replacements to the Leased Property.

Section 10.2 Modification of the Leased Property; Installation of Furnishings and Machinery of the City. The City shall have the privilege of making additions, modifications and improvements to the Leased Property, at its own cost and expense, as appropriate, and any such additions, modifications and improvements to the Leased Property shall be the property of the City, subject to the Site Lease, this Lease and the Indenture, and shall be included under the terms of the Site Lease, this Lease and the Indenture; provided, however, that such additions, modifications and improvements shall not in any way damage the Leased Property or cause the Leased Property to be used for purposes other than what was its intended purpose upon construction or other lawful governmental functions of the City (except to the extent of subleasing permitted under Section 14.2 hereof) or cause the City to violate its tax covenant in Section 12.5 hereof; and provided that the Leased Property, as improved or altered, upon completion of such additions, modifications and improvements, shall be of a value not less than the value of the Leased Property immediately prior to such making of additions, modifications and improvements.

The City may also, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in or on the Leased Property. All such machinery, equipment and other tangible property shall remain the sole property of the City in which the Trustee shall have no interests; provided, however, that title to any such machinery, equipment and other tangible property shall become part of the Leased Property and be included under the terms of this Lease to the extent that; (a) any such machinery, equipment or other tangible property is permanently affixed to the Leased Property; or (b) the removal of such machinery, equipment or other tangible property would damage or impair the Leased Property.

The City shall have the right to make substitutions to the Leased Property upon compliance with the provisions set forth in Section 12.4 hereof.

Section 10.3 Taxes, Other Governmental Charges and Utility Charges. The City is tax-exempt and does not expect that any taxes, special assessments or governmental charges will be levied against the Leased Property. However, in the event that the Leased Property shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body, the City shall pay the amount of all such taxes, assessments and governmental charges then due, as Additional Rentals. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the City shall be obligated to provide for Additional Rentals only for such installments as are required to be paid during the upcoming Fiscal Year. Except for Permitted Encumbrances, the City shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased
Property (including, without limitation, any taxes levied upon the Leased Property which, if not paid, will become a charge on the rentals and receipts from the Leased Property, or any interest therein, including the interests of the Trustee), or the rentals and revenues derived therefrom or hereunder. The City shall also pay as Additional Rentals, as the same respectively become due, all utility and other charges and fees and other expenses incurred in the operation, maintenance and upkeep of the Leased Property.

The City may, at its expense, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments, utility or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the City that, in the opinion of Counsel, by nonpayment of any such items the value of the Leased Property will be materially endangered or the Leased Property will be subject to loss or forfeiture, or the Trustee will be subject to liability, in which event such taxes, assessments, utility or other charges shall be paid forthwith (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such taxes, assessments, utility or other charges).

Section 10.4 Provisions For Liability and Property Insurance. The City, at the Trustee’s option, will either self-insure, or at City’s cost, will cause casualty insurance and property damage insurance to be carried and maintained on the Leased Property, with all such coverages to be in such amounts sufficient to cover the value of the Leased Property at the commencement of this Lease (as determined by the purchase price paid for the Leased Property), and public liability insurance with respect to the Leased Property in the amounts required by law, but in no event with a policy limit less than $1,000,000 per occurrence. All insurance shall be written in such forms, to cover such risks, and with such insurers, as are customary for public entities such as the City. A combination of self-insurance and policies of insurance may be utilized. If policies of insurance are obtained, City will cause the Trustee to be a loss payee as its interest under this Lease may appear on such property damage insurance policies and an additional insured on a primary and noncontributory basis on such public liability insurance in an amount equal to or exceeding the minimum limit stated herein. The City will deliver to the Trustee the policies or evidences of insurance or self-insurance satisfactory to the Trustee, together with receipts for the applicable premiums prior to the execution and delivery of this Lease, and at least thirty (30) days before the expiration of any such policies. By endorsement upon the policy or by independent instrument furnished to the Trustee, such insurer will agree that it will give the Trustee at least thirty (30) days' written notice prior to cancellation or alteration of the policy. To the extent required by law, the City will carry workers compensation insurance covering all employees working on, in, or about the Leased Property, and will require any other person or entity working on, in, or about the Leased Property to carry such coverage, and will furnish to the Trustee certificates evidencing such coverages throughout the Lease Term upon request of the Trustee. If, at any time during the Lease Term it is determined that any part of the Leased Property is located in a flood zone, as determined in accordance with 12 CFR Chapter 1, Part 22 or its successor (the “Flood Insurance Regulations”), the City, at its own expense, shall obtain and maintain for the entire Lease Term flood insurance covering the Leased Property in such form and amount as is required under the Flood Insurance Regulations. If, at any time during the Lease Term, the City shall fail to maintain such adequate flood insurance, the Trustee may, to the extent permitted by law, purchase such insurance on the City’s behalf, and the cost thereof shall be deemed to be
Additional Rentals. The City shall provide evidence of the renewal or replacement of such flood insurance at least 15 days prior to its expiration.

**Section 10.5 Advances.** If the City fails to pay any Additional Rentals during the Lease Term as such Additional Rentals become due, the Trustee may (but shall not be obligated to) pay such Additional Rentals and the City agrees to reimburse the Trustee to the extent permitted by law and subject to Appropriation as provided under Article 7 hereof.

**Section 10.6 Granting of Easements.** As long as no Event of Non-appropriation or Event of Lease Default shall have happened and be continuing, the Trustee shall, upon the request of the City: (a) grant or enter into easements, permits, licenses, party wall and other agreements, rights-of-way (including the dedication of public roads) and other rights or privileges in the nature of easements, permits, licenses, party wall and other agreements and rights of way with respect to any property or rights included in this Lease (whether such rights are in the nature of surface rights, sub-surface rights or air space rights), free from this Lease and any security interest or other encumbrance created hereunder or thereunder; (b) release existing easements, permits, licenses, party wall and other agreements, rights-of-way, and other rights and privileges with respect to such property or rights, with or without consideration; and (c) execute and deliver any instrument necessary or appropriate to grant, enter into or release any such easement, permit, license, party wall or other agreement, right-of-way or other grant or privilege upon receipt of: (i) a copy of the instrument of grant, agreement or release, and (ii) a written application signed by the City Representative requesting such grant, agreement or release and stating that such grant, agreement or release will not materially impair the effective use or materially interfere with the operation of the Leased Property and will not materially adversely affect the security intended to be given by or under the Indenture, the Site Lease or this Lease.
**ARTICLE 11**
**DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS**

**Section 11.1 Damage, Destruction and Condemnation.** If, during the Lease Term,

(a) the Leased Property shall be destroyed (in whole or in part), or damaged by fire or other casualty; or

(b) title to, or the temporary or permanent use of, the Leased Property or any portion thereof or the estate or any interest of the City or the Trustee in the Leased Property is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or entity acting under governmental authority; or

(c) a breach of warranty or a material defect in the construction, manufacture or design of the Leased Property becomes apparent; or

(d) title to or the use of all or a portion of the Leased Property is lost by reason of a defect in title thereto.

then the City shall be obligated to continue to pay Base Rentals and Additional Rentals (subject to Article 7 hereof).

**Section 11.2 Obligation to Repair and Replace the Leased Property.** The City and the Trustee, to the extent Net Proceeds are within their respective control, shall cause such Net Proceeds of any insurance policies, performance bonds or condemnation awards to be deposited in a separate trust fund. All Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the City, upon receipt of requisitions by the Trustee signed by the City Representative stating with respect to each payment to be made:

(a) the requisition number;

(b) the name and address of the person, firm or entity to whom payment is due;

(c) the amount to be paid; and

(d) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation.

The Trustee shall have no duty to review or examine the accompanying bill, invoice or statement of account, but may conclusively rely on the properly executed disbursement request. The City and the Trustee shall agree to cooperate and use their best reasonable efforts subject to the terms of the Indenture to enforce claims which may arise in connection with material defects in the construction, manufacture or design of the Leased Property or otherwise. The City shall file a certificate with the Trustee certifying the completion of any such repair, restoration,
modification, improvement or replacement and the Trustee may conclusively rely on any requisitions presented pursuant to this Section and shall have no obligation to make an independent investigation. If there is a balance of any Net Proceeds remaining after such repair, restoration, modification, improvement or replacement has been completed, this balance shall be used by the City, to:

(a) add to, modify or alter the Leased Property or add new components thereto, or

(b) prepay the Series 2020A Base Rentals and/or Series 2020B Base Rentals, in respective amounts in the sole discretion of the City, with a corresponding adjustment in the amount of Base Rentals payable under Exhibit C (Base Rentals Schedule) to this Lease or

(c) accomplish a combination of (a) and (b).

Any repair, restoration, modification, improvement or replacement of the Leased Property paid for in whole or in part out of Net Proceeds allocable to the Leased Property shall be the property of the City, subject to the Site Lease, this Lease and the Indenture and shall be included as part of the Leased Property under this Lease.

Section 11.3 Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Leased Property required under Section 11.2 of this Lease, the City may elect to:

(a) complete the work or replace such Leased Property (or portion thereof) with similar property of a value equal to or in excess of such portion of the Leased Property and pay as Additional Rentals, to the extent amounts for Additional Rentals which have been specifically appropriated by the City are available for payment of such cost, any cost in excess of the amount of the Net Proceeds, and the City agrees that, if by reason of any such insufficiency of the Net Proceeds, the City shall make any payments pursuant to the provisions of this paragraph, the City shall not be entitled to any reimbursement therefor from the Trustee, nor shall the City be entitled to any diminution of the Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the City for such purpose, payable under Article 7 of this Lease; or

(b) apply the Net Proceeds allocable to the Leased Property to the payment of the Purchase Option Price in accordance with Article 13 of this Lease, or an appropriate portion thereof. In the event of an insufficiency of the Net Proceeds for such purpose, the City shall, subject to the limitations of Section 7.1 hereof, pay such amounts as may be necessary to equal that portion of the Purchase Option Price which is attributable to the Leased Property for which Net Proceeds have been received (as certified to the Trustee by the City); and in the event the Net Proceeds shall exceed such portion of the Purchase Option Price, such excess shall be used as directed by the City in the same manner as set forth in Section 11.2 hereof; or

(c) if the City does not timely budget and appropriate sufficient funds to proceed under either (a) or (b) above, an Event of Non-appropriation will be deemed to
have occurred and, subject to the City’s right to cure, the Trustee may pursue remedies available to it following an Event of Non-appropriation.

The above referenced election shall be made by the City within 90 days after the occurrence of an event specified in Section 11.1 of this Lease. It is hereby declared to be the City’s present intention that, if an event described in Section 11.1 hereof should occur and if the Net Proceeds shall be insufficient to pay in full the cost of repair, restoration, modification, improvement or replacement of the Leased Property, the City would use its best efforts to proceed under either paragraph (a) or paragraph (b) above; but it is also acknowledged that the City must operate within budgetary and other economic constraints applicable to it at the time, which cannot be predicted with certainty; and accordingly the foregoing declaration shall not be construed to contractually obligate or otherwise bind the City.

Section 11.4 Cooperation of the Trustee. The Trustee shall cooperate fully with the City, at the expense of the City or in accordance with Section 10.03 of the Indenture, in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 11.1 of this Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property and in the enforcement of all warranties relating to the Leased Property. So long as no Event of Lease Default or Event of Non-appropriation has occurred and is then existing, the Trustee shall not voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim performance or payment bond claim, prospective or pending condemnation proceeding with respect to the Leased Property without the written consent of the City.
ARTICLE 12
DISCLAIMER OF WARRANTIES; OTHER COVENANTS

Section 12.1 Disclaimer of Warranties. THE TRUSTEE HAS NOT MADE AND WILL NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY. THE CITY HEREBY ACKNOWLEDGES AND DECLARES THAT THE CITY IS SOLELY RESPONSIBLE FOR THE CONDITION, MAINTENANCE, REPAIR AND OPERATION OF THE LEASED PROPERTY, AND THAT THE TRUSTEE HAS NO RESPONSIBILITY THEREFOR. THE TRUSTEE HAS NOT MADE AND WILL NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY. THE CITY HEREBY ACKNOWLEDGES AND DECLARES THAT THE CITY IS SOLELY RESPONSIBLE FOR THE MAINTENANCE AND OPERATION OF THE LEASED PROPERTY, AND THAT THE TRUSTEE HAS NO RESPONSIBILITY THEREFOR. For the purpose of enabling the City to discharge such responsibility, the Trustee constitutes and appoints the City as its attorney in fact for the purpose of asserting and enforcing, at the sole cost and expense of the City, all manufacturer’s and contractor’s warranties and guaranties, express or implied, with respect to the Leased Property, as well as any claims or rights the Trustee may have in respect of the Leased Property against any manufacturer, supplier, contractor or other person. Except as otherwise provided in this Lease, the Trustee shall not be liable for any direct or indirect, incidental, special, punitive or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by the City of any item, product or service provided for herein except that nothing shall relieve the Trustee’s liability for any claims, damages, liability or court awards, including costs, expenses and attorney fees, relating to or arising from the Trustee’s actions or omissions that result from the negligence, bad faith or intentional misconduct of the Trustee or its employees.

Section 12.2 Further Assurances and Corrective Instruments. The Trustee and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such amendments hereof or supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property.

Section 12.3 Compliance with Requirements. During the Lease Term, the City and the Trustee shall observe and comply promptly to the extent possible with all current and future orders of all courts having jurisdiction over the Leased Property, provided that the City and the Trustee may contest or appeal such orders so long as they are in compliance with such orders during the contest or appeal period, and all current and future requirements of all insurance companies writing policies covering the Leased Property.

Section 12.4 Release and Substitution of Leased Property. So long as no Event of Lease Default or Event of Non-appropriation shall have occurred and be continuing, the City shall
be entitled to substitute any improved or unimproved real estate (collectively, the “Replacement Property”), for any Leased Property then subject to the Site Lease, this Lease and the Indenture, upon receipt by the Trustee of a written request of the City Representative requesting such release and substitution, provided that:

(a) such Replacement Property shall have an equal or greater value and utility (but not necessarily the same function) to the City as the Leased Property proposed to be released, as determined by a certificate from the City to that effect;

(b) the fair market value of Replacement Property shall be not less than the fair market value of the Leased Property proposed to be released from this Lease and the Indenture, or, in the alternative, the fair market value of the Leased Property remaining after the proposed release shall be at least equal to the aggregate principal amount of the Outstanding Certificates. The fair market value of any improved or unimproved real property shall be determined by an M.A.I. appraisal report prepared by an independent real estate appraiser and submitted by the City to the Trustee;

(c) the Initial Purchaser has consented to the substitution of the Replacement Property; and

(d) the execution and delivery of such supplements and amendments to the Site Lease, as applicable, this Lease and the Indenture and any other documents necessary to subject any Replacement Property to be substituted for the portion of the Leased Property to be released to the lien of the Indenture.

The Trustee shall cooperate with the City in implementing the City’s rights to release and substitute property pursuant to this Section 12.4 and shall execute any and all conveyances, releases or other documents necessary or appropriate in connection therewith.

Section 12.5 Tax Covenants. The City acknowledges that the moneys in all funds and accounts expected to be created under the Indenture are to be invested or deposited by the Trustee, at the written direction of the City.

The City covenants for the benefit of the Owners of the Series 2020B Certificates that it will not take any action or omit to take any action with respect to the Series 2020B Certificates, the proceeds thereof, any other funds of the City or any facilities financed with the proceeds of the Series 2020B Certificates (except for the possible exercise of the City’s right to terminate this Lease as provided herein) if such action or omission: (i) would cause the interest on the Series 2020B Certificates to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code; or (ii) would cause interest on the Series 2020B Certificates to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code; or (iii) would cause interest on the Series 2020B Certificates to lose its exclusion from Colorado taxable income or to lose its exclusion from Colorado alternative minimum taxable income under present Colorado law. Subject to the City’s right to terminate this Lease as provided herein, the foregoing covenant shall remain in full force and effect, notwithstanding the payment in full or defeasance of the Series 2020B Certificates, 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.
In addition, the City covenants that its direction of investments pursuant to Article 5 of the Indenture shall be in compliance with the procedures established by the Tax Certificate to the extent required to comply with its covenants contained in the foregoing provisions of this Section. The City hereby agrees that, to the extent necessary, it will, during the Lease Term, pay to the Trustee such sums as are required for the Trustee to pay the amounts due and owing to the United States Treasury as rebate payments. Any such payment shall be accompanied by directions to the Trustee to pay such amounts to the United States Treasury. Any payment of City moneys pursuant to the foregoing sentence shall be Additional Rentals for all purposes of this Lease.

The City is to execute the Tax Certificate in connection with the execution and delivery of this Lease, which Tax Certificate shall provide further details in respect of the City’s tax covenants herein.

The City hereby designates the obligations of the City with regard to the Series 2020B Base Rentals and Series 2020B Certificates hereunder as “qualified tax-exempt obligations” for purposes of Section 265(b)(3)(B) of the Code.

Section 12.6 Covenant to Reimburse Legal Expenses. To the extent permitted by Colorado law and subject to Appropriation by the City Council, the City shall defend and hold harmless the Trustee and the Initial Purchaser against claims arising from the alleged negligent acts or omissions of the City’s public employees, which occurred or are alleged to have occurred during the performance of their duties and within the scope of their employment, unless such acts or omissions are, or are alleged to be, willful and wanton. Such claims shall be subject to the limitations of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101 to 24-10-120. The City shall include as Additional Rentals, the reimbursement of reasonable and necessary expenses incurred by the Trustee to defend the Trustee or incurred by the Initial Purchaser to defend the Initial Purchaser from and against all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of the Leased Property or from any work or thing done on the Leased Property during the Lease Term requested by the City, or from any condition of the Leased Property caused by the City. This duty to reimburse the Trustee’s and the Initial Purchaser’s legal expenses is not an indemnification and it is expressly understood that the City is not indemnifying the Trustee or the Initial Purchaser and, as previously stated, is limited to Net Proceeds and moneys, if any, in excess of such Net Proceeds, for which an Appropriation has been effected.

Section 12.7 Access to the Leased Property; Rights to Inspect Books. The City agrees that the Trustee and the Initial Purchaser shall have the right at all reasonable times and with reasonable notice to examine and inspect the Leased Property (subject to such regulations as may be imposed by the City for security purposes) and all of the City’s books and records with respect thereto, but the Trustee and the Initial Purchaser have no duty to inspect the Leased Property or such books or records. The City further agrees that the Trustee shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the City to perform its obligations under this Lease. The Indenture allows the City to have the right at all reasonable times to examine and inspect all of the Trustee’s books and records with respect to the Leased Property and all funds and accounts held under the Indenture.
The City and its representatives shall have the right to examine and inspect the books and records of the Trustee relating to the Leased Property at all reasonable times from the date of this Lease and until three years after the termination date of this Lease.
ARTICLE 13
PURCHASE OPTION

Section 13.1  Purchase Option.  The City shall have the option to purchase the Trustee’s leasehold interest in the Leased Property at any time, but only if an Event of Lease Default or Event of Non-appropriation has not occurred and is then continuing. The City may exercise its option on any date by complying with one of the conditions set forth in Section 13.2.

The City shall give the Trustee notice of its intention to exercise its option not less than forty-five (45) days in advance of the date of exercise and shall deposit the required moneys with the Trustee on or before the date selected by the City to pay the Purchase Option Price. The Trustee may waive such notice or may agree to a shorter notice period in the sole determination of the Trustee.

If the City shall have given notice to the Trustee of its intention to purchase the Trustee’s leasehold interest in the Leased Property, but shall not have deposited the amounts with the Trustee on the date specified in such notice, the City shall continue to pay Base Rentals, which have been specifically appropriated by the City for such purpose, as if no such notice had been given.

Section 13.2  Transfer, Conveyance and Release of Leased Property.  The Trustee shall release the Trustee’s leasehold interest in the Leased Property and in the manner provided for in Section 13.3 of this Lease; provided, however, that prior to such transfer, conveyance and release, either:

(a) the City shall have paid the then applicable Purchase Option Price, plus any fees and expenses then owing to the Trustee and any other Additional Rentals required to be paid hereunder; or

(b) the City shall have paid all Series 2020A Base Rentals and Series 2020B Base Rentals set forth in Exhibit C (Base Rentals Schedule) hereto, for the entire maximum Lease Term, and all then current Additional Rentals required to be paid hereunder.

At the City’s option, amounts then on deposit in any fund held under the Indenture (except the Rebate Fund and any defeasance escrow funds) may be credited toward the Purchase Option Price.

Section 13.3  Manner of Conveyance.  At the closing of the purchase or other conveyance of all of the Trustee’s leasehold interest in the Leased Property pursuant to Section 13.2 of this Lease, the Trustee shall release and terminate the Site Lease, this Lease and the Indenture and execute and deliver to the City any necessary documents releasing, assigning, transferring and conveying the Trustee’s leasehold interests in the Leased Property, as they then exist, subject only to the following:

(a) Permitted Encumbrances, other than the Site Lease, this Lease and the Indenture;
(b) all liens, encumbrances and restrictions created or suffered to exist by the Trustee as required or permitted by the Site Lease, this Lease or the Indenture or arising as a result of any action taken or omitted to be taken by the Trustee as required or permitted by the Site Lease, this Lease or the Indenture;

(c) any lien or encumbrance created or suffered to exist by action of the City; and

(d) those liens and encumbrances (if any) to which title to the Leased Property was subject when leased to the Trustee.
ARTICLE 14
ASSIGNMENT AND SUBLEASING

Section 14.1 Assignment by the Trustee; Replacement of the Trustee. Except as otherwise provided in this Lease and the Indenture, this Lease may not be assigned by the Trustee for any reason other than to a successor by operation of law or to a successor trustee under the Indenture or with the prior written consent of the City which consent shall not be unreasonably withheld. The Trustee will notify the City of any assignment to a successor by operation of law.

If an Event of Lease Default or Event of Non-appropriation has occurred and is continuing, the Trustee may act as herein provided, including exercising the remedies set forth in Section 15.2, without the prior written direction of the City.

Section 14.2 Assignment and Subleasing by the City. This Lease may not be assigned by the City for any reason other than to a successor by operation of law. However, the Leased Property may be subleased, as a whole or in part, by the City without the necessity of obtaining the consent of the Trustee or any owner of the Certificates, subject to each of the following conditions:

(a) The Leased Property may be subleased, in whole or in part, only to an agency or department of, or a political subdivision of, the State, or to another entity or entities with Approval of Special Counsel;

(b) This Lease, and the obligations of the City hereunder, shall, at all times during the Lease Term remain obligations of the City, and the City shall maintain its direct relationships with the Trustee, notwithstanding any sublease;

(c) No sublease by the City shall cause the Leased Property to be used for any purpose which would cause the City to violate its tax covenant in Section 12.5 hereof;

(d) The City shall furnish or cause to be furnished to the Trustee a copy of any sublease agreement; and

(e) Any sublease of the Leased Property shall provide that it is subject to the terms and conditions of this Lease and that, except as hereinafter provided, it shall automatically terminate upon a termination of this Lease; provided, however, that upon a termination of this Lease due to an Event of Lease Default or Event of Non-appropriation, the Trustee may, upon notification to the sublessee, keep any such sublease in full force and effect as a direct lease by the Trustee to the sublessee.
ARTICLE 15
EVENTS OF LEASE DEFAULT AND REMEDIES

Section 15.1 Events of Lease Default Defined. Any one of the following shall be an Event of Lease Default under this Lease:

(a) failure by the City to pay any Series 2020A Base Rentals, Series 2020B Base Rentals or Additional Rentals, which have been specifically appropriated by the City for such purpose, during the Initial Term or any Renewal Term, within ten (10) Business Days after the date on which they are due; or

(b) subject to the provisions of Section 7.5 hereof, failure by the City to vacate or surrender possession of the Leased Property by March 1 of any Renewal Term in respect of which an Event of Non-appropriation has occurred; or

(c) failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in (a) or (b), for a period of 30 days after receipt of written notice specifying such failure and requesting that it be remedied shall be received by the City from the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided that if the failure stated in the notice cannot be corrected within the applicable period, the Trustee shall not withhold its consent to an extension of such time if corrective action can be instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(d) failure by the City to comply with the terms of the Site Lease.

The foregoing provisions of this Section 15.1 are subject to the following limitations:

(i) the City shall be obligated to pay the Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals, which have been specifically appropriated by the City for such purpose, only during the then current Lease Term, except as otherwise expressly provided in this Lease; and

(ii) if, by reason of Force Majeure, the City or the Trustee shall be unable in whole or in part to carry out any agreement on their respective parts herein contained other than the City’s agreement to pay the Base Rentals and Additional Rentals due hereunder, the City or the Trustee shall not be deemed in default during the continuance of such inability. The City and the Trustee each agree, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the City or the Trustee from carrying out their respective agreements; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City.

Section 15.2 Remedies on Default. Whenever any Event of Lease Default shall have happened and be continuing beyond any applicable cure period, the Trustee may (subject to its rights and protections under the terms of the Indenture), or shall at the request of the owners of a majority in aggregate principal amount of the Certificates then Outstanding and upon indemnification as to costs and expenses as provided in the Indenture, without any further demand or notice, take one or any combination of the following remedial steps:
(a) terminate the Lease Term and give notice to the City to vacate and surrender possession of the Leased Property, which vacation and surrender the City agrees to complete within sixty (60) days from the date of such notice; provided, in the event the City does not vacate and surrender possession on the termination date, the provisions of Section 7.5 hereof shall apply;

(b) lease or sublease the Leased Property or sell or assign the Trustee’s leasehold interest in the Leased Property;

(c) recover from the City:

(i) the portion of Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the City for such purpose, which would otherwise have been payable hereunder, during any period in which the City continues to occupy, use or possess the Leased Property; and

(ii) Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the City for such purpose, which would otherwise have been payable by the City hereunder during the remainder, after the City vacates and surrenders possession of the Leased Property, of the Fiscal Year in which such Event of Lease Default occurs.

(d) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the Site Lease, this Lease and the Indenture.

Upon the occurrence of an Event of Non-appropriation, the Trustee shall be entitled to recover from the City the amounts set forth in Section 15.2(c)(i) hereof if the City continues to occupy the Leased Property after December 31 of the Fiscal Year in which such Event of Non-appropriation occurs.

The Trustee shall also be entitled, upon any Event of Lease Default, to any moneys in any funds or accounts created under the Indenture (except the Rebate Fund and any defeasance escrow accounts).

Notwithstanding the foregoing provisions or any other provisions in the Site Lease, this Lease or the Indenture, the Trustee shall not take any remedial action under the Site Lease, this Lease or the Indenture, including without limitation this Section 15.2, without the prior written consent and direction of the Initial Purchaser. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in the Indenture.

Section 15.3 Limitations on Remedies. The remedies in connection with an Event of Lease Default shall be limited as set forth in this Section. A judgment requiring a payment of money may be entered against the City by reason of an Event of Lease Default only as to the City’s liabilities described in paragraph (c) of Section 15.2 hereof. A judgment requiring a payment of money may be entered against the City by reason of an Event of Non-appropriation only to the extent that the City fails to vacate and surrender possession of the Leased Property as required by Section 7.4 of this Lease, respectively, and only as to the liabilities described in paragraph (c)(i) of
Section 15.2 hereof. The remedy described in paragraph (c)(ii) of Section 15.2 of this Lease is not available for an Event of Lease Default consisting of failure by the City to vacate and surrender possession of the Leased Property by March 1 following an Event of Non-appropriation.

Section 15.4 No Remedy Exclusive. Subject to Section 15.3 hereof, no remedy herein conferred upon or reserved to the Trustee, is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved in this Article 15, it shall not be necessary to give any notice, other than such notice as may be required in this Article 15.

Section 15.5 Waivers. With the consent of the Initial Purchaser, the Trustee may waive any Event of Lease Default under this Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. Payment of Series 2020A Base Rentals, Series 2020B Base Rentals or Additional Rentals by the City shall not constitute a waiver of any breach or default by the Trustee hereunder.

Section 15.6 Agreement to Pay Attorneys’ Fees and Expenses. In the event that either party hereto shall default under any of the provisions hereof and the non-defaulting party shall employ attorneys or incur other expenses for the collection of Series 2020A Base Rentals, Series 2020B Base Rentals or Additional Rentals, or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it shall on demand therefor pay to the non-defaulting party, to the extent permitted by law, the reasonable fees of such attorneys and such other reasonable expenses so incurred by the non-defaulting party. Notwithstanding the foregoing, any such fees and expenses owed by the City hereunder shall constitute Additional Rentals for all purposes of this Lease and shall be subject to Appropriation.

Section 15.7 Waiver of Appraisement, Valuation, Stay, Extension and Redemption Laws. To the extent permitted by law, in the case of an Event of Non-appropriation or an Event of Lease Default neither the Trustee nor the City nor any one claiming through or under either of them shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of the Indenture; and the Trustee and the City, for themselves and all who may at any time claim through or under either of them, each hereby waives, to the full extent that it may lawfully do so, the benefit of all such laws. Notwithstanding the foregoing, it is expressly understood that the City cannot and does not hereby waive its right to set up, claim or seek to take advantage of its police powers or its Colorado constitutional or statutory right of eminent domain.
ARTICLE 16
MISCELLANEOUS

Section 16.1 Sovereign Powers of City. Nothing in this Lease shall be construed as diminishing, delegating, or otherwise restricting any of the sovereign powers or immunities of the City. Nothing in this Lease shall be construed to require the City to occupy and operate the Leased Property other than as lessee, or to require the City to exercise its right to purchase the Leased Property as provided in Article 13 hereof.

Section 16.2 Information to the Initial Purchaser. So long as the Initial Purchaser is the sole owner of the Certificates, the City agrees that it shall provide the Initial Purchaser with the information and written notices set forth below. Such information may be provided in electronic format.

(a) The City’s annual audited financial statements within 270 days of the end of the City’s fiscal year;

(b) The City’s annual approved operating budget within 30 days of the end of the City’s fiscal year;

(c) Such additional financial information that the Initial Purchaser may from time to time reasonably request; and

(d) Written notice relating to:
   (i) the occurrence and continuation of any material default on any outstanding financial obligations of the City;
   (ii) any litigation relating to the Leased Property or this Lease or any other litigation which, if adversely determined, would, in the aggregate or in any case, materially adversely affect the property, assets, financial condition or business of the City or materially impair the right or ability of the City to carry on its operations substantially as now conducted or anticipated to be conducted in the future;
   (iii) any material governmental proceedings relating to the Site Lease, or the Lease; and
   (iv) the occurrence of any other event that materially adversely affects the property, assets, financial condition or business of the City or materially impairs the right or ability of the City to carry on its operations substantially as now conducted or anticipated to be conducted in the future.

Section 16.3 Notices. All notices, certificates or other communications to be given hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, addressed as follows:
if to the Trustee, U.S. Bank National Association
950 17th Street, Suite 300
Denver, Colorado 80226
Attention: Corporate Trust Department

if to the City, City of Lakewood, Colorado
480 S. Allison Parkway
Lakewood, Colorado 80226
Attention: Chief Financial Officer

if to the Initial Purchaser, FirstBank
12345 West Colfax Avenue
Lakewood, Colorado 80215
Attention: [ ]

The City, the Trustee and the Initial Purchaser may, by written notice, designate any further or different means of communication or addresses to which subsequent notices, certificates or other communications shall be sent.

Notices to be given to the Owners of the Certificates, if other than the Initial Purchaser, shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, addressed to the addresses show in the registration books maintained by the Trustee.

Section 16.4 Third Party Beneficiaries. It is expressly understood and agreed that the Initial Purchaser and the Owners of the outstanding Certificates are third party beneficiaries to this Lease and enforcement of the terms and conditions of this Lease, and all rights of action relating to such enforcement, shall be strictly reserved to the City, as lessee and the Trustee, as lessor, and their respective successors and assigns, and to the Initial Purchaser and the Owners of the Certificates. Except as hereinafter provided, nothing contained in this Lease shall give or allow any such claim or right of action by any other or third person on this Lease. It is the express intention of the City and the Trustee that any person other than the City, the Trustee, the Initial Purchaser or the Owners of the Certificates receiving services or benefits under this Lease shall be deemed to be an incidental beneficiary only.

Section 16.5 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Trustee and the City and their respective successors and assigns, subject, however, to the limitations contained in Article 14 of this Lease.

Section 16.6 Amendments. This Lease may only be amended, changed, modified or altered with the prior written consent of the City and the Trustee and in accordance with the provisions of the Indenture. So long as the Initial Purchaser is the registered Owner of all outstanding Certificates, this Lease may not be materially amended, changed, modified or altered without the prior written consent of the Initial Purchaser, which consent shall not be unreasonably withheld.
Section 16.7 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Series 2020A Base Rentals Fund, the Series 2020A Costs of Execution and Delivery Fund, the Series 2020B Base Rentals Fund, the Series 2020B Costs of Execution and Delivery Fund, or any other fund or account created under the Indenture (except the Rebate Fund and any defeasance escrow account), upon termination of the Lease Term, and after payment in full of the Certificates (or provision for payment thereof having been made in accordance with the provisions of this Lease and the Indenture) and fees and expenses of the Trustee in accordance with this Lease and the Indenture, shall belong to and be paid to the City by the Trustee, as an overpayment of Base Rentals.

Section 16.8 Triple Net Lease. This Lease shall be deemed and construed to be a “triple net lease” and, subject to the prior Appropriation requirements hereof, the City shall pay absolutely net during the Lease Term, the Base Rentals, the Additional Rentals and all expenses of, or other payments in respect of, the Leased Property as required to be paid by the City under this Lease, for which a specific Appropriation has been effected by the City for such purpose, free of any deductions, and without abatement, deduction or setoff (other than credits against Base Rentals expressly provided for in this Lease).

Section 16.9 Computation of Time. In computing a period of days, the first day is excluded and the last day is included. If the last day of any period is not a Business Day, the period is extended to include the next day which is a Business Day. If a number of months is to be computed by counting the months from a particular day, the period ends on the same numerical day in the concluding month as the day of the month from which the computation is begun, unless there are not that many days in the concluding month, in which case the period ends on the last day of that month. Notwithstanding the foregoing, Base Rentals shall be recalculated in the event of any prepayment of Series 2020A Base Rentals or Series 2020B Base Rentals as provided in Section 7.2(b) hereof.

Section 16.10 Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, shall be a day other than a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Lease.

Section 16.11 Severability. Except for the requirement of the City to pay Base Rentals for which a specific Appropriation has been effected by the City for such purpose and the requirement of the Trustee to provide quiet enjoyment of the Leased Property and to convey the Trustee’s leasehold interest in the Leased Property to the City under the conditions set forth in Article 13 of this Lease (which, if held invalid or unenforceable by any court of competent jurisdiction, may have the effect of invalidating or rendering unenforceable the other provisions of this Lease), in the event that any other provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 16.12 Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
Section 16.13 Applicable Law. This Lease shall be governed by and construed in accordance with the law of the State of Colorado.

Section 16.14 The Trustee Is Independent of the City. Neither the Trustee nor any agent or employee of the Trustee shall be or shall be deemed to be an agent or employee of the City. The Trustee acknowledges that the Trustee and its employees are not entitled to unemployment insurance benefits of the City unless the Trustee or a third party otherwise provides such coverage and that the City does not pay for or otherwise provide such coverage. The Trustee shall have no authorization, express or implied, to bind the City to any agreements, liability or understanding except as expressly set forth herein.

Section 16.15 Governmental Immunity. Notwithstanding any other provisions of this Lease to the contrary, no term or condition of this Lease shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions of the Colorado Governmental Immunity Act, Section 24-10-101, et. seq., C.R.S., as now or hereafter amended.

Section 16.16 Recitals. The Recitals set forth in this Lease are hereby incorporated by this reference and made a part of this Lease.

Section 16.17 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Lease.

Section 16.18 Trustee’s Disclaimer. It is expressly understood and agreed that (a) the Lease is executed by U.S. Bank National Association solely in its capacity as Trustee under the Indenture, and (b) nothing herein shall be construed as creating any liability on U.S. Bank National Association other than in its capacity as Trustee under the Indenture. All financial obligations of the Trustee under this Lease, except those resulting from its willful misconduct or negligence, are limited to the Series 2020A Trust Estate and Series 2020B Trust Estate.

Section 16.19 Electronic Transactions. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 16.20 Doctrine of Merger. The Doctrine of Merger shall not apply.
IN WITNESS WHEREOF, the parties have executed this Lease Purchase Agreement as of the day and year first above written.

U.S. BANK NATIONAL ASSOCIATION, solely in its capacity as Trustee under the Indenture, as Lessor

By: ________________________________
   ________________________________
Title: ________________________________

CITY OF LAKEWOOD

__________________________________
Kathleen E. Hodgson, City Manager

ATTEST:

__________________________________
Michele Millard, City Clerk

__________________________________
Attestation Date

Approved as to form:

__________________________________
[Name, Title]

Recommended and approved as to content:

__________________________________
[Name, Title]
Department of ___________________________
STATE OF COLORADO  
COUNTY OF JEFFERSON  

The foregoing instrument was acknowledged before me this ____ day of September, 2020, by Kathleen E. Hodgson and Michele Millard, as City Manager and City Clerk, respectively, of the City of Lakewood, Colorado, a Colorado municipal corporation.

WITNESS my hand and official seal.

(SEAL)  
______________________________  
Notary Public  

My commission expires:

STATE OF COLORADO  
CITY AND COUNTY OF DENVER  

The foregoing instrument was acknowledged before me this ____ day of September, 2020, by ____________, as an authorized officer of U.S. Bank National Association, as Trustee.

WITNESS my hand and official seal.

(SEAL)  
______________________________  
Notary Public  

My commission expires:
EXHIBIT A

DESCRIPTION OF LEASED PROPERTY
EXHIBIT B
EXISTING PERMITTED ENCUMBRANCES

The easements, covenants, restrictions, liens and encumbrances to which title to the Leased Property was subject when leased to the Trustee pursuant to the Site Lease, and which the City Representative has certified do not and will not interfere in any material way with the intended use of the Leased Property are as follows:
## EXHIBIT C
### BASE RENTALS SCHEDULE

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</tr>
<tr>
<td><strong>Total</strong></td>
<td>$[1,300,000]</td>
<td>N/A</td>
<td></td>
<td>$[4,555,000]</td>
<td>N/A</td>
<td></td>
<td></td>
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Base Rental payments are on [December 1, 2020], and thereafter on each June 1, commencing June 1, 2021, during the Lease Term. The Base Rentals have been calculated on the basis of a 360-day year of twelve 30-day months. If Base Rentals are stated to be due on any date that is not a Business Day, such Base Rentals shall be due on the next day that is a Business Day without the accrual of interest on Base Rentals between such dates. The duration of the Lease, throughout the maximum Lease Term, does not exceed the weighted average useful life of the Leased Property.
EXHIBIT D

FORM OF NOTICE OF LEASE RENEWAL

To: U.S. Bank National Association, as Trustee
   Attention: Corporate Trust Department

The undersigned is the City Representative of the City of Lakewood, Colorado (the “City”). The City is the lessee under that certain Lease Purchase Agreement, dated as of September 1, 2020 (the “Lease”), between the City and U.S. Bank National Association, solely in its capacity of Trustee under the Indenture, as the lessor thereunder. I am familiar with the facts herein certified and am authorized and qualified to certify the same. The undersigned hereby states and certifies:

(a) the City has effected or intends to effect on a timely basis an Appropriation for the ensuing Fiscal Year which includes (1) sufficient amounts authorized and directed to be used to pay all the Base Rentals and (2) sufficient amounts to pay such Additional Rentals as are estimated to become due, all as further provided in Sections 7.2, 7.3 and 7.4 of the Lease, whereupon, the Lease shall be renewed for the ensuing Fiscal Year;

or

(b) the City has determined not to renew the Lease for the ensuing Fiscal Year.

CITY OF LAKEWOOD, COLORADO

By: 

City Representative

Date: ____________________________

Active/52017889.2
AFTER RECORDATION PLEASE RETURN TO:
Sherman & Howard L.L.C.
633 Seventeenth Street, Suite 3000
Denver, Colorado 80202
Attention: Peter J. Whitmore, Esq.

Pursuant to Section 39-13-104(1)(j), Colorado Revised Statutes, this Lease Purchase Agreement is exempt from the documentary fee.

LEASE PURCHASE AGREEMENT

DATED AS OF SEPTEMBER 1, 2020

BETWEEN

U.S. BANK NATIONAL ASSOCIATION,
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE
INDENTURE IDENTIFIED HEREIN,
AS LESSOR

AND

CITY OF LAKEWOOD, COLORADO,
AS LESSEE
This Table of Contents is not a part of this Lease and is only for convenience of reference.

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EXHIBIT B: EXISTING PERMITTED ENCUMBRANCES
EXHIBIT C: BASE RENTALS SCHEDULE
EXHIBIT D: FORM OF NOTICE OF LEASE RENEWAL
This LEASE PURCHASE AGREEMENT, dated as of September 1, 2020 (this “Lease”), is by and between U.S. BANK NATIONAL ASSOCIATION, Denver, Colorado, a national banking association duly organized and validly existing under the laws of the United States of America, solely in its capacity as trustee under the Indenture (the “Trustee”), as lessor, and CITY OF LAKEWOOD, COLORADO, a home rule municipal corporation and political subdivision of the State of Colorado (the “City”), as lessee.

PREFACE

All capitalized terms used herein will have the meanings ascribed to them in Article 1 of this Lease.

RECITALS

1. The City is a duly organized and existing under and by virtue of the Constitution and laws of the State of Colorado and the home rule charter of the City (the “Charter”).

2. Pursuant to Section 11.6 of the Charter, the City is authorized to enter into one or more rental or leasehold agreements for any municipal purpose.

3. Pursuant to Section 14.3 of the Charter, the City is authorized to sell and dispose of public buildings and real and personal property.

4. The City has previously entered into that certain Lease Purchase and Sublease Agreement dated as of August 1, 2000, as amended by the First Amendment to Lease Purchase and Sublease Agreement dated as of April 1, 2004, and as amended by the Second Amendment to Lease Purchase and Sublease Agreement dated as of February 1, 2006 (as amended, the “2000 Lease Purchase Agreement”), with the Lakewood Public Building Authority, as assigned to U.S. Bank National Association, as lessor, pursuant to which the City acquired, constructed, renovated and equipped various capital improvements, as more particularly described therein.

5. On February 27, 2006, the Lakewood Public Building Authority issued its Refunding Certificates of Participation, Series 2006A (the “Series 2006A Certificates”), evidencing rights to receive certain revenues to be received from the lessee pursuant to the 2000 Lease Purchase Agreement.

6. The City and the Lakewood Public Building Authority allocated a portion of the repayment obligation related to the Series 2006A Certificates to the City’s Golf Enterprise Fund.

7. The City Council has determined that it is in the best interests of the City and its inhabitants to apply the moneys received in connection with the execution of the Site Lease and this Lease, together with other available moneys of the City, to: (a) refinance the portion of the City’s obligations under the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund (the “Series 2020A Refunding Project”); and (b) finance the design, construction, installation, acquisition, renovation, replacement, maintenance and repair of irrigation system improvements, and related appurtenances, at the Fox Hollow Golf Course (the “Series 2020B Irrigation Project”).
8. To accomplish the Series 2020A Refunding Project and the Series 2020B Irrigation Project, the City has determined to, (a) lease a certain parcel of land and the buildings located thereon (as more particularly described in Exhibit BA attached hereto, collectively, the “Leased Property”) to the Trustee pursuant to the Site Lease, dated as of the date hereof by and between the City, as the site lessor, and the Trustee, as the ground lessee (the “Site Lease”), and (b) simultaneously sublease the Leased Property back from the Trustee pursuant to this Lease.

9. The City owns the Leased Property in fee simple.

10. The payment by the City of Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals hereunder in any future Fiscal Year is subject to specific Appropriations and the renewal by the City Council of this Lease for such future Fiscal Year. Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals payable by the City under this Lease shall constitute current expenditures of the City.

11. Neither this Lease nor the payment by the City of Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals hereunder shall be deemed or construed as creating an indebtedness of the City within the meaning of any provision of the Colorado constitution or the laws of the State of Colorado concerning or limiting the creation of indebtedness by the City, and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation of the City within the meaning of Article X, Section 20(4) of the Colorado constitution or a mandatory charge or requirement against the City in any ensuing Fiscal Year beyond the then current Fiscal Year. The obligation of the City to pay Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals hereunder shall be from year to year only, shall constitute currently budgeted expenditures of the City, shall not constitute a mandatory charge or requirement in any ensuing budget year, nor a mandatory payment obligation of the City in any ensuing Fiscal Year beyond any Fiscal Year during which this Lease shall be in effect. In the event that this Lease is not renewed, the sole security available to the Trustee, as lessor hereunder, shall be the Leased Property.

12. The Trustee is executing this Lease solely in its capacity as trustee under the Indenture, and subject to the terms, conditions and protections provided for herein.

13. The Trustee and the City intend that this Lease set forth their entire understanding and agreement regarding the terms and conditions upon which the City is leasing the Leased Property from the Trustee.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the Trustee and the City agree as follows:
ARTICLE 1
DEFINITIONS

Section 1.1 Certain Funds and Accounts. All references herein to any funds and accounts shall mean the funds and accounts so designated which are established under the Indenture.

Section 1.2 Definitions. All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Indenture, unless the context otherwise requires. Capitalized terms used herein shall have the following meanings under this Lease:

“Additional Rentals” means the payment or cost of all:

(a) (i) reasonable expenses and fees of the Trustee related to the performance or discharge of its responsibilities under the provisions of this Lease, the Site Lease or the Indenture, including the reasonable fees and expenses of any person or firm employed by the City to make rebate calculations under the provisions of Section 3.07 of the Indenture and the expenses of the Trustee in respect of any policy of insurance obtained in respect of the Certificates executed and delivered with respect to this Lease, (ii) the cost of insurance premiums and insurance deductible amounts under any insurance policy reasonably deemed necessary by the Trustee to protect the Trustee from any liability under this Lease, approved by the City Representative, which approval shall not be unreasonably withheld, (iii) reasonable legal fees and expenses incurred by the Trustee to defend the Series 2020A Trust Estate, Series 2020B Trust Estate or the Trustee from and against any legal claims, and (iv) reasonable expenses and fees of the Trustee incurred at the request of the City Representative;

(b) taxes, assessments, insurance premiums, utility charges, maintenance, upkeep, repair and replacement with respect to the Leased Property and as otherwise required under this Lease;

(c) rebate payments as provided in the Lease; and

(d) all other charges and costs (together with all interest and penalties that may accrue thereon in the event that the City shall fail to pay the same, as specifically set forth in this Lease) which the City agrees to assume or pay as Additional Rentals under this Lease.

Additional Rentals shall not include Base Rentals.

“Additional Series 2020A Certificates” means Additional Series 2020A Certificates which may be executed and delivered pursuant to the Indenture.

“Additional Series 2020B Certificates” means Additional Series 2020B Certificates which may be executed and delivered pursuant to the Indenture.

“Appropriation” means the action of the City Council in annually making moneys available for all payments due under this Lease, including the payment of Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals.
“Approval of Special Counsel” means an opinion of Special Counsel to the effect that the matter proposed will not adversely affect the excludability from gross income for federal income tax purposes of the Series 2020B Interest Portion of the Series 2020B Base Rentals paid by the City under this Lease and attributable to the Series 2020B Certificates.

“Base Rentals” means the rental payments payable by the City during the Lease Term, including both Series 2020A Base Rentals and Series 2020B Base Rentals, which constitute payments payable by the City for and in consideration of the right to possess and use the Leased Property as set forth in Exhibit C (Base Rentals Schedule) hereto, as it may be amended from time to time. Base Rentals do not include Additional Rentals.

“Base Rentals Payment Dates” means the Base Rentals Payment Dates set forth in Exhibit C (Base Rentals Schedule) hereto.

“Business Day” means any day, other than a Saturday, Sunday or legal holiday or a day (a) on which banks located in Denver, Colorado are required or authorized by law or executive order to close or (b) on which the Federal Reserve System is closed.

“Certificates” means the Series 2020A Taxable Certificates and the Series 2020B Certificates, dated as of their date of delivery, executed and delivered pursuant to the Indenture. As used herein, the term “Certificates” does not include “Additional Series 2020A Certificates” or “Additional Series 2020B Certificates.”

“City” means the City of Lakewood, Colorado.

“City Council” means the City Council of the City or any successor to its functions.

“City Manager” means the City Manager to the City or his or her successor in function.

“City Representative” means the Mayor of the City, the City Manager or such other person at the time designated to act on behalf of the City for the purpose of performing any act under this Lease, the Site Lease or the Indenture by a written certificate furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of the City by the Mayor of the City.

“Costs of Execution and Delivery” means all items of expense directly or indirectly payable by the Trustee related to the authorization, execution and delivery of the Site Lease and this Lease and related to the authorization, sale, execution and delivery of the Certificates, as further defined in the Indenture.

“Counsel” means an attorney at law or law firm (who may be counsel for the Trustee).

“CRS” means Colorado Revised Statutes.

“Escrow Agent” means U.S. Bank National Association, and its successor and assigns pursuant to the Escrow Agreement.
“Escrow Agreement” means the Escrow Agreement dated September 1, 2020, between the Escrow Agent and the City, relating the partial defeasance of the Series 2006A Certificates.

“Event(s) of Lease Default” means any event as defined in Section 15.1 of this Lease.

“Event of Nonappropriation” means the termination and non-renewal of this Lease by the City, determined by the City Council’s failure, for any reason, to appropriate by the last day of each Fiscal Year:
(a) sufficient amounts to be used to pay Series 2020A Base Rentals due in the next Fiscal Year;
(b) sufficient amounts to be used to pay Series 2020B Base Rentals due in the next Fiscal Year;
and (c) sufficient amounts to pay such Additional Rentals as are estimated to become due in the next Fiscal Year, as provided in Section 7.2 of this Lease. An Event of Nonappropriation may also occur under certain circumstances described in Section 11.3(c) of this Lease. The term also means a notice under this Lease of the City’s intention to not renew and therefore terminate this Lease or an event described in this Lease relating to the exercise by the City of its right to not appropriate amounts due as Additional Rentals in excess of the amounts for which an Appropriation has been previously effected.

“Fiscal Year” means the City’s fiscal year, which begins on January 1 of each calendar year and ends on December 31 of the same calendar year, or any other twelve -month period which the City or other appropriate authority hereafter may establish as the City’s fiscal year.

“Force Majeure” means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America, the State of Colorado or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; declared pandemics; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other cause or event not within the control of the City in its capacity as lessee hereunder or the Trustee.

“Hazardous Substance” means and includes: (a) the terms “hazardous substance,” “release” and “removal” which, as used herein, shall have the same meaning and definition as set forth in paragraphs (14), (22) and (23), respectively, of Title 42 U.S.C. §9601 and in Colorado law, provided, however, that the term “hazardous substance” as used herein shall also include “hazardous waste” as defined in paragraph (5) of 42 U.S.C. §6903 and “petroleum” as defined in paragraph (8) of 42 U.S.C. §6991; (b) the term “superfund” as used herein means the Comprehensive Environmental Response, Compensation and Liability Act, as amended, being Title 42 U.S.C. §9601 et seq., as amended, and any similar State of Colorado statute or local ordinance applicable to the Leased Property, including, without limitation, Colorado rules and regulations promulgated, administered and enforced by any governmental agency or authority pursuant thereto; and (c) the term “underground storage tank” as used herein shall have the same meaning and definition as set forth in paragraph (1) of 42 U.S.C. §6991.

“Indenture” means the Indenture of Trust, dated as of September 1, 2020, entered into by the Trustee, as the same may be amended or supplemented.
“Initial Purchaser” means FirstBank, and its successors, as the initial purchaser of all the Certificates. All references to Initial Purchaser hereunder shall be applicable for so long as, and only to the extent that, the Initial Purchaser is the sole owner of all Outstanding Certificates. All references herein to Initial Purchaser shall be of no force and effect in the event that the Initial Purchaser is not the sole Owner of all Outstanding Certificates.

“Initial Term” means the period which commences on the date of delivery of this Lease and terminates on December 31, 2020.

“Lease” means this Lease Purchase Agreement, dated as of September 1, 2020, between the Trustee, as lessor, and the City, as lessee, as the same may hereafter be amended.

“Lease Remedy” or “Lease Remedies” means any or all remedial steps provided in this Lease whenever an Event of Lease Default or an Event of Non-appropriation has happened and is continuing, which may be exercised by the Trustee as provided in this Lease and in the Indenture.

“Lease Term” means the Initial Term and any Renewal Terms as to which the City may exercise its option to renew this Lease by effecting an Appropriation of funds for the payment of Base Rentals and Additional Rentals hereunder, as provided in and subject to the provisions of this Lease. “Lease Term” refers to the time during which the City is the lessee of the Leased Property under this Lease.

“Leased Property” means the real property and the premises, buildings and improvements situated thereon, including all fixtures attached thereto, as more particularly described in Exhibit A to this Lease, together with any and all additions and modifications thereto, substitutions and replacements thereof, including, without limitation, the easements, rights of way, covenants and other rights set forth in the documents listed on Exhibit B attached hereto.

“Net Proceeds” means the proceeds of any performance or payment bond, or proceeds of insurance, including self-insurance, required by this Lease or proceeds from any condemnation award, or any proceeds derived from the exercise of any Lease Remedy or otherwise following termination of this Lease by reason of an Event of Non-appropriation or an Event of Lease Default, allocable to the Leased Property, less: (a) all related expenses (including, without limitation, attorney’s fees and costs) incurred in the collection of such proceeds or award; and (b) all other related fees, expenses and payments due to the City and the Trustee.

“Permitted Encumbrances” with respect to the Leased Property, means, as of any particular time: (a) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pending contest pursuant to the provisions of this Lease; (b) the Site Lease, this Lease, the Indenture and any related fixture filing and any liens arising or granted pursuant to the Site Lease, this Lease or the Indenture; (c) utility, access and other easements and rights of way, licenses, permits, party wall and other agreements, restrictions and exceptions which the City Representative certifies will not materially interfere with or materially impair the use or value of the Leased Property, including rights or privileges in the nature of easements, licenses, permits and agreements as provided in this Lease; (d) any sublease of the Leased Property that are...
permitted pursuant to the terms and provisions of Section 14.2 hereof; and (e) the easements,
covenants, restrictions, liens and encumbrances (if any) to which title to the Leased Property was
subject when leased to the Trustee pursuant to the Site Lease, as shown on Exhibit B hereto and
which the City Representative certifies do not and will not interfere in any material way with the
intended use of the Leased Property.

“Purchase Option Price” means the amount payable on any date, at the option of the City,
to defease the Indenture, prepay Series 2020A Base Rentals, prepay Series 2020B Base Rentals,
terminate the Lease Term and purchase the Trustee’s leasehold interest in the Leased Property as
provided herein and in the Indenture.

“Renewal Term” means any portion of the Lease Term commencing on January 1 of any
calendar year and terminating on or before December 31 of such calendar year as provided in
Article 5 of this Lease.

“Series 2020A Base Rentals” means the portion of the Base Rentals related to the Series
2020A Refunding Project, as set forth in Exhibit C (Base Rentals Schedule) hereto, as it may be
amended from time to time.

“Series 2020A Interest Portion” means the portion of each Series 2020A Base Rentals
payment that represents the payment of interest set forth in Exhibit C (Base Rentals Schedule)
hereto, as it may be amended from time to time.

“Series 2020A Owners” means the registered owners of any Series 2020A Taxable
Certificates or Additional Series 2020A Certificates. The Initial Purchaser shall be the initial
registered owner of all of the Series 2020A Taxable Certificates.

“Series 2020A Prepayment” means any amount paid by the City pursuant to the
provisions of this Lease as a prepayment of the Series 2020A Base Rentals due hereunder.

“Series 2020A Principal Portion” means the portion of each Series 2020A Base Rentals
payment that represents the payment of principal set forth in Exhibit C (Base Rentals Schedule)
hereto.

“Series 2020A Refunding Project” means the portion of the moneys received in
connection with the execution of the Site Lease and this Lease used to refinance the portion of
the City’s obligations under the Series 2006A Certificates allocated to the City’s Golf Enterprise
Fund.

“Series 2020A Revenues” means (a) all amounts payable by or on behalf of the City or
with respect to the Leased Property related to the Series 2020A Taxable Certificates or Series
2020A Refunding Project pursuant to this Lease including, but not limited to, all Series 2020A
Base Rentals, Series 2020A Prepayments, the Purchase Option Price and Net Proceeds, but not
including Additional Rentals; (b) any portion of the proceeds of the Series 2020A Taxable
Certificates or the Additional Series 2020A Certificates deposited into the Series 2020A Base
Rentals Fund; and (c) any moneys and securities, including investment income, held by the
Trustee in the Series 2020A Base Rentals Fund, Series 2020A Costs of Execution and Delivery
Fund or any other fund established under the Indenture related to the Series 2020A Taxable Certificates.

“Series 2020A Taxable Certificates” means the “Certificates of Participation, Series 2020A, Evidencing Proportionate Interests in the Series 2020A Base Rentals and other Series 2020A Revenues under an annually renewable Lease Purchase Agreement dated as of September 1, 2020, between U.S. Bank National Association, solely in its capacity as trustee under the Indenture, as lessor, and the City of Lakewood, Colorado, as lessee” dated as of their date of delivery, executed and delivered pursuant to the Indenture, and issued in order to effectuate the Series 2020A Refunding Project. As used herein, the term “Series 2020A Taxable Certificates” does not include “Additional Series 2020A Certificates.”

“Series 2020A Trust Estate” means all of the property placed in trust by the Trustee necessary to secure the payment of principal of, premium if any, and interest on the Series 2020A Taxable Certificates pursuant to the Indenture.

“Series 2020B Base Rentals” means the portion of the Base Rentals related to the Series 2020B Irrigation Project, as set forth in Exhibit C (Base Rentals Schedule) hereto, as it may be amended from time to time.

“Series 2020B Certificates” means the “Certificates of Participation, Series 2020B, Evidencing Proportionate Interests in the Series 2020B Base Rentals and other Series 2020B Revenues under an annually renewable Lease Purchase Agreement dated as of September 1, 2020, between U.S. Bank National Association, solely in its capacity as trustee under the Indenture, as lessor, and the City of Lakewood, Colorado, as lessee” dated as of their date of delivery, executed and delivered pursuant to the Indenture, and issued in order to effectuate the Series 2020B Irrigation Project. As used herein, the term “Series 2020B Certificates” does not include “Additional Series 2020B Certificates.”

“Series 2020B Interest Portion” means the portion of each Series 2020B Base Rentals payment that represents the payment of interest set forth in Exhibit C (Base Rentals Schedule) hereto, as it may be amended from time to time.

“Series 2020B Irrigation Project” means the portion of the moneys received in connection with the execution of the Site Lease and this Lease used to finance the design, construction, installation, acquisition, renovation, replacement, maintenance and repair of irrigation system improvements, and related appurtenances, at the Fox Hollow Golf Course.

“Series 2020B Owners” means the registered owners of any Series 2020B Certificates or Additional Series 2020B Certificates. The Initial Purchaser shall be the initial registered owner of all of the Series 2020B Certificates.

“Series 2020B Prepayment” means any amount paid by the City pursuant to the provisions of this Lease as a prepayment of the Series 2020B Base Rentals due hereunder.
“Series 2020B Principal Portion” means the portion of each Series 2020B Base Rentals payment that represents the payment of principal set forth in Exhibit C (Base Rentals Schedule) hereto.

“Series 2020B Revenues” means (a) all amounts payable by or on behalf of the City or with respect to the Leased Property related to the Series 2020B Certificates or Series 2020B Irrigation Project pursuant to this Lease including, but not limited to, all Series 2020B Base Rentals, Series 2020B Prepayments, the Purchase Option Price and Net Proceeds, but not including Additional Rentals; (b) any portion of the proceeds of the Series 2020B Certificates or the Additional Series 2020B Certificates deposited into the Series 2020B Base Rentals Fund; (c) any moneys which may be derived from any insurance in respect of the Series 2020B Certificates; and (d) any moneys and securities, including investment income, held by the Trustee in the Series 2020B Base Rentals Fund, Series 2020B Costs of Execution and Delivery Fund or any other fund established under the Indenture related to the Series 2020B Certificates (except for moneys and securities held in the Rebate Fund or any defeasance escrow account).

“Series 2020B Trust Estate” means all of the property placed in trust by the Trustee necessary to secure the payment of principal of, premium if any, and interest on the Series 2020B Certificates pursuant to the Indenture.

“Site Lease” means the Site Lease, dated as of September 1, 2020, between the City, as lessor, and the Trustee, as lessee, as the same may hereafter be amended.

“Special Counsel” means any counsel experienced in matters of municipal and federal tax law and listed in the list of municipal bond attorneys, as published semiannually by The Bond Buyer, or any successor publication. So long as the Lease Term is in effect, the City shall have the right to select Special Counsel.

“Tax Certificate” means the Federal Tax Exempt Certificate entered into by the City with respect to this Lease and the Series 2020B Certificates.


“Trustee” means U.S. Bank National Association, acting solely in the capacity of trustee pursuant to the Indenture, and any successor thereto appointed under the Indenture.

ARTICLE 2
SECTION 2.1 REPRESENTATIONS AND COVENANTS OF THE CITY.

The City represents and covenants to the Trustee, to the extent permitted by law and subject to renewal of this Lease and Appropriation as set forth in Article 7 hereof, as follows:

(a) The City is a home rule municipal corporation and political subdivision duly organized and existing within the State under the Constitution, laws of the State and the Charter. The City is authorized to enter into this Lease and the Site Lease and to carry out its obligations under this Lease and the Site Lease. The City has duly authorized and approved the execution and delivery of this Lease, the Site Lease and all other documents related to the execution and delivery of this Lease and the Site Lease.

(b) The City owns the Leased Property and the Trustee has a leasehold interest in the Leased Property pursuant to the Site Lease.

(c) The leasing of the Leased Property to the Trustee pursuant to the Site Lease and the leasing of the Leased Property from the Trustee, under the terms and conditions provided for in this Lease, and the completion of the Series 2020A Refunding Project and the Series 2020B Irrigation Project, are in the best interests of the City and serve a valid public purpose. The City will apply the net proceeds derived from the proceeds of the Series 2020A Taxable Certificates, together with other legally available monies of the City, to finance the Series 2020A Refunding Project and to pay the Costs of Execution and Delivery, and the City will apply the net proceeds of the Series 2020B Certificates, together with other legally available monies of the City, to finance the Series 2020B Irrigation Project and to further pay the Costs of Execution and Delivery.

(d) Neither the execution and delivery of this Lease and the Site Lease, nor the fulfillment of or compliance with the terms and conditions of this Lease and the Site Lease, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City or its property is bound, or violates any statute, regulation, rule, order of any court having jurisdiction, judgment or administrative order applicable to the City, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien or encumbrance whatsoever upon any of the property or assets of the City, except for Permitted Encumbrances.

(e) The City agrees that, except for non-renewal and non-appropriation as set forth in Article 7 hereof, if the City fails to perform any act which the City is required to perform under this Lease, the Trustee may, but shall not be obligated to, perform or cause to be performed such act, and any reasonable expense incurred by the Trustee in connection therewith shall be an obligation owing by the City (from moneys for which an Appropriation has been effected) to the Trustee shall be a part of Additional Rentals, and the Trustee shall be subrogated to all of the rights of the party receiving such payment.
(f) There is no litigation or proceeding pending against the City affecting the right of the City to execute this Lease or the Site Lease or the ability of the City to make the payments required hereunder, or to otherwise comply with the obligations contained herein, or which, if adversely determined, would, in the aggregate or in any case, materially adversely affect the property, assets, financial condition or business of the City or materially impair the right or ability of the City to carry on its operations substantially as now conducted or anticipated to be conducted in the future.

(g) The Basic Financial Statements of the City for the fiscal year ended December 31, 2019, and the independent auditors’ report with respect thereto, a copy of which has heretofore been furnished to the Initial Purchaser, is complete and correct and fairly presents the financial condition of the City at such date and for such period. Since the most current date of the information, financial or otherwise, supplied by the City to the Initial Purchaser, there has been no material adverse change in the assets, liabilities, financial position or results of operations of the City which has not been disclosed in writing to the Initial Purchaser.

(h) Except for customary materials necessary for construction, operation, cleaning and maintenance of the Leased Property, the City shall not cause or permit any Hazardous Substance to be brought upon, generated at, stored or kept or used in or about the Leased Property without prior written notice to the Trustee and the Initial Purchaser, and all Hazardous Substances, including, customary materials necessary for construction, operation, cleaning and maintenance of the Leased Property, will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Substance so brought upon or used or kept in or about the Leased Property. If the presence of any Hazardous Substance on the Leased Property caused or permitted by the City results in contamination of the Leased Property, or if contamination of the Leased Property by any Hazardous Substance other than those defined as Hazardous Substance otherwise occurs for which the City is legally liable for damage resulting therefrom, then the City shall include as an Additional Rental any amount necessary to reimburse the Trustee and the Initial Purchaser for legal expenses incurred to defend (to the extent that an Appropriation for the necessary moneys has been effected by the City) the Trustee and the Initial Purchaser from claims for damages, penalties, fines, costs, liabilities or losses. The reimbursement of the Trustee’s and the Initial Purchaser’s legal expenses is not an indemnification. It is expressly understood that the City is not indemnifying the Trustee or the Initial Purchaser, and expenses of such defense shall constitute Additional Rentals. Without limiting the foregoing, if the presence of any Hazardous Substance on the Leased Property caused or permitted by the City results in any contamination of the Leased Property, the City shall provide prior written notice to the Trustee and the Initial Purchaser and promptly take all actions at its sole expense (which expenses shall constitute Additional Rentals) as are necessary to effect remediation of the contamination in accordance with legal requirements.

(i) The City covenants and agrees to comply with any applicable covenants and requirements of the City set forth in the Tax Certificate.

(j) Except as otherwise disclosed to the Initial Purchaser, the City has never failed to appropriate any of its payment or performance obligations or covenants, either under any municipal lease of the same general nature of this Lease or under any of its other annually renewable obligations.
Section 2.2 Representations and Covenants of the Trustee. The Trustee represents and covenants as follows:

(a) So long as no Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default (both as defined in the Indenture) has occurred and is then continuing or existing, except as specifically provided in the Site Lease or this Lease or as necessary to transfer the Series 2020A Trust Estate and Series 2020B Trust Estate to a successor Trustee, the Trustee shall not pledge or assign the Trustee’s right, title and interest in and to (i) this Lease or the Site Lease, (ii) the Series 2020A Base Rentals, other Series 2020A Revenues and collateral, security interests and attendant rights and obligations which may be derived under this Lease or the Site Lease, (iii) the Series 2020B Base Rentals, other Series 2020B Revenues and collateral, security interests and attendant rights and obligations which may be derived under this Lease or the Site Lease, and/or (iv) the Leased Property and any reversion therein or any of its or the Trustee’s other rights under this Lease or the Site Lease or assign, pledge, mortgage, encumber or grant a security interest in its or the Trustee’s right, title and interest in, to and under this Lease or the Site Lease or the Leased Property except for Permitted Encumbrances.

(b) Neither the execution and delivery of this Lease and the Site Lease or the Indenture by the Trustee, nor the fulfillment of or compliance with the terms and conditions thereof and hereof, nor the consummation of the transactions contemplated thereby or hereby conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Trustee is now a party or by which the Trustee is bound, or constitutes a default under any of the foregoing.

(c) There is no litigation or proceeding pending against the Trustee affecting the right of the Trustee to execute this Lease and the Site Lease or to execute the Indenture, and perform its obligations thereunder or hereunder, except such litigation or proceeding as has been disclosed in writing to the City on or prior to the date the Indenture is executed and delivered.

(d) The Trustee acknowledges and agrees that so long as the Initial Purchaser is the sole Owner of all the Outstanding Certificates, the Initial Purchaser shall have the right to direct the remedies to be taken by the Trustee hereunder and under the Site Lease and the Indenture. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in the Indenture. The Trustee agrees that, so long as the Initial Purchaser is the sole Owner of all Outstanding Certificates, the Trustee shall promptly provide written notice of the occurrence of any Series 2020A Event of Indenture Default or Series 2020B Event of Indenture Default to the Initial Purchaser.

Section 2.3 Nature of Lease. The City and the Trustee acknowledge and agree that the Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals hereunder shall constitute currently budgeted and appropriated expenditures of the City and may be paid from any legally available funds. The City’s obligations under this Lease shall be subject to the City’s annual right to terminate this Lease (as further provided herein), and shall not constitute a mandatory charge or requirement in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision of this Lease shall be construed or interpreted as creating a general obligation, multiple fiscal year financial obligation, or other indebtedness of the City within the meaning of any constitutional or statutory debt limitation. No provision of this Lease shall be
construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of Article XI, Sections 1 or 2 of the Colorado Constitution. Neither this Lease nor the execution and delivery of the Certificates shall directly or indirectly obligate the City to make any payments beyond those duly budgeted and appropriated for the City’s then current Fiscal Year. The City shall be under no obligation whatsoever to exercise its option to purchase the Trustee’s leasehold interest in the Leased Property. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of City moneys, nor shall any provision of this Lease restrict the future issuance of any City bonds or obligations payable from any class or source of City moneys (provided, however, certain restrictions in the Indenture shall apply to the issuance of Additional Series 2020A Certificates and Additional Series 2020B Certificates). In the event that this Lease is not renewed by the City, the sole security available to the Trustee, as lessor hereunder, shall be the Leased Property.

Section 2.4 City Acknowledgment of Certain Matters. The City acknowledges the Indenture and the execution and delivery by the Trustee of the Certificates pursuant to the Indenture. The City also acknowledges the Trustee’s authority to act on behalf of the Owners of the Certificates with respect to all rights, title and interests of the Trustee in, to and under this Lease, the Site Lease and the Leased Property.

The City further acknowledges and agrees that the Certificates have not been and are not expected to be rated by a nationally recognized organization which regularly rates such certificates, assigned a CUSIP number, or registered with or made eligible for registration with any securities depository, including but not limited to the Depository Trust Company, New York, New York.

Section 2.5 Relationship of City and Trustee. The relationship of the City and the Trustee under this Lease is, and shall at all times remain, solely that of lessee and lessor; and the City neither undertakes nor assumes any responsibility or duty to the Trustee or to any third party with respect to the Trustee’s obligations relating to the Leased Property; and the Trustee does not undertake or assume any responsibility or duty to the City or to any third party with respect to the City’s obligations relating to the Leased Property. Notwithstanding any other provisions of this Lease: (a) the City and the Trustee are not, and do not intend to be construed to be, partners, joint ventures, members, alter egos, managers, controlling persons or other business associates or participants of any kind of either of the other, and the City and the Trustee do not intend to ever assume such status; and (b) the City and the Trustee shall not be deemed responsible for, or a participant in, any acts, omissions or decisions of either of the other.
ARTICLE 3
LEASE OF THE LEASED PROPERTY

The Trustee demises and leases the Leased Property to the City and the City leases the Leased Property from the Trustee, in accordance with the provisions of this Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term.

The City and the Trustee acknowledge that the City owns the Leased Property and the City has leased the Leased Property to the Trustee pursuant to the Site Lease; and the City and the Trustee intend that there be no merger of the City’s interests as sublessee under this Lease and the City’s ownership interest in the Leased Property so as to cause the cancellation of the Site Lease or this Lease, or an impairment of the leasehold and subleasehold interest intended to be created by the Site Lease and this Lease.
ARTICLE 4
PAYMENTS BY THE TRUSTEE

Upon the execution and delivery of the Site Lease and this Lease, the Trustee shall deposit the amount of $1,300,000 with the Escrow Agent pursuant to the terms of the Site Lease, Indenture and Escrow Agreement, to defease the portion of the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund and otherwise complete the Series 2020A Refunding Project. Such amounts shall be disbursed by the Escrow Agent in accordance with the terms of the Escrow Agreement. The City hereby further authorizes the payment of the Series 2006A Certificates in the manner and form provided by the Escrow Agreement, authorizes the purchase of the Federal Securities described in the Escrow Agreement, and authorizes the completion and execution of the Escrow Agreement.

Upon the execution and delivery of the Site Lease and this Lease, the Trustee shall pay to City the amount of $4,555,000 pursuant to the terms of the Site Lease and Indenture, less any amounts deposited to the Cost of Execution and Delivery Fund in accordance with the Indenture. The City will use this amount to pay costs related to the Series 2020B Irrigation Project.

The City reserves the right to modify or add items to the Leased Property. No such change in the Leased Property shall increase the amount of moneys required to be deposited by the Trustee pursuant to this Article, or alter the Base Rentals set forth in Exhibit A. The Trustee shall have no obligation whatsoever with the operation of the Leased Property other than the obligations to provide the City the proceeds of the Site Lease as set forth therein and in this Article.
ARTICLE 5
LEASE TERM

Section 5.1 Duration of Lease Term. The Lease Term shall commence as of the date hereof. The Initial Term shall terminate on December 31, 2020. This Lease may be renewed, solely at the option of the City, for nineteen (19) Renewal Terms, provided, however, that the Lease Term shall terminate no later than December 1, 2039, except that the Renewal Term beginning on January 1, 2039 shall terminate upon the City’s payment of the final Base Rental payment as set forth in Exhibit C. The City hereby finds that the maximum Lease Term hereunder does not exceed the weighted average useful life of the Leased Property. The City further determines and declares that the period during which the City has an option to purchase the Trustee’s leasehold interest in the Leased Property (i.e. the entire maximum Lease Term) does not exceed the useful life of the Leased Property.

The City Manager or other officer of the City at any time charged with the responsibility of formulating budget proposals for the City is hereby directed to include in the annual budget proposals submitted to the City Council, in any year in which this Lease shall be in effect, items for all payments required for the ensuing Renewal Term under this Lease until such time, if any, as the City may determine to not renew and terminate this Lease. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the City that any decision to effect an Appropriation for the Base Rentals and Additional Rentals shall be made solely by the City Council in its absolute discretion and not by any other official of the City, as further provided in the following paragraph. During the Lease Term, the City shall in any event, whether or not the Lease is to be renewed, furnish the Trustee with copies of its annual budget promptly after the budget is adopted.

Not later than December 15 of the then current Initial Term or any Renewal Term the City Representative shall give written notice (in substantially the form set forth in Exhibit D attached hereto) to the Trustee that either:

(a) the City has effected or intends to effect on a timely basis an Appropriation for the ensuing Fiscal Year which includes:

(1) sufficient amounts authorized and directed to be used to pay all of the Series 2020A Base Rentals and Series 2020B Base Rentals;

(2) sufficient amounts to pay such Additional Rentals as are estimated to become due, all as further provided in Sections 7.2 and 7.3 of this Lease, whereupon, this Lease shall be renewed for the ensuing Fiscal Year; or

(b) the City has determined, for any reason, not to renew this Lease for the ensuing Fiscal Year.

Subject to the provisions of Section 7.4(a), the failure to give such notice shall not constitute an Event of Lease Default, nor prevent the City from electing not to renew this Lease, nor result in any liability on the part of the City. The City’s option to renew or not to renew this Lease shall be conclusively determined by whether or not the applicable Appropriation has been made on or before December 31 of each Fiscal Year, all as further provided in Article 7 of this Lease.

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The terms and conditions hereof during any Renewal Term shall be the same as the terms and conditions hereof during the Initial Term, except that the Purchase Option Price and the Base Rentals shall be as provided in Article 13 and Exhibit C (Base Rentals Schedule) hereof.

Section 5.2 Termination of Lease Term. The Lease Term shall terminate upon the earliest of any of the following events:

(a) the expiration of the Initial Term or any Renewal Term during which there occurs an Event of Non-appropriation pursuant to Section 5.1 and Article 7 of this Lease (provided that the Lease Term will not be deemed to have been terminated if the Event of Non-appropriation is cured as provided in Section 7.4 hereof);

(b) the conveyance of the Trustee’s leasehold interest in the Leased Property under this Lease to the City upon payment of the Purchase Option Price or all Base Rentals and Additional Rentals, for which an Appropriation has been effected by the City for such purpose, as provided in Section 13.2(a) or (b) of this Lease; or

(c) an uncured Event of Lease Default and termination of this Lease under Article 15 of this Lease by the Trustee.

Except for an event described in subparagraph (c) above, upon termination of this Lease, the City agrees to peacefully deliver possession of the Leased Property to the Trustee.

Termination of the Lease Term shall terminate all unaccrued obligations of the City under this Lease, and shall terminate the City’s rights of possession under this Lease (except to the extent of the holdover provisions of Sections 7.5 and 15.2(c)(i) hereof, and except for any conveyance pursuant to Article 13 of this Lease). All obligations of the City accrued prior to such termination shall be continuing until the Trustee gives written notice to the City that such accrued obligations have been satisfied.

Upon termination of the Lease Term any moneys received by the Trustee in excess of the amounts necessary to terminate and discharge the Indenture, shall be paid to the City.

The City shall not have the right to terminate this Lease due to a default by the Trustee under this Lease.
ARTICLE 6
ENJOYMENT OF THE LEASED PROPERTY

Section 6.1 Trustee’s Covenant of Quiet Enjoyment. The Trustee hereby covenants that the City shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Trustee. The Trustee shall not interfere with the quiet use and enjoyment of the Leased Property by the City during the Lease Term so long as no Event of Lease Default shall have occurred. The Trustee shall, at the request of the City and at the cost of the City, cooperate fully in any legal action in which the City asserts against third parties its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the City may at its own expense join in any legal action affecting its possession and enjoyment of the Leased Property and shall be joined in any action affecting its liabilities hereunder.

The provisions of this Article 6 shall be subject to the Trustee’s right to inspect the Leased Property and the City’s books and records with respect thereto as provided in Section 12.7 hereof.

Section 6.2 City’s Need for the Leased Property; Determinations as to Fair Value and Fair Purchase Price. The City has determined and hereby determines that it has a current need for the Leased Property. It is the present intention and expectation of the City that this Lease will be renewed annually until the Trustee’s interests in the Site Lease are released and unencumbered title to the Leased Property is acquired by the City pursuant to this Lease; but this declaration shall not be construed as contractually obligating or otherwise binding the City. The City has determined and hereby determines that the Base Rentals under this Lease during the Lease Term for the Leased Property represent the fair value of the use of the Leased Property and that the Purchase Option Price for the Leased Property will represent the fair purchase price of the Trustee’s interest in the Leased Property at the time of the exercise of the option. The City has determined and hereby determines that the Base Rentals do not exceed a reasonable amount so as to place the City under an economic compulsion to renew this Lease or to exercise its option to purchase the Trustee’s interest in the Leased Property hereunder. In making such determinations, the City has given consideration to the estimated current value of the Leased Property, the uses and purposes for which the Leased Property will be employed by the City, the benefit to the citizens and inhabitants of the City by reason of the use and occupancy of the Leased Property pursuant to the terms and provisions of this Lease, the City’s option to purchase the Trustee’s interest in the Leased Property and the expected eventual vesting of unencumbered title to the Leased Property in the City. The City hereby determines and declares that the period during which the City has an option to purchase the Trustee’s interest in the Leased Property (i.e., the entire maximum Lease Term for the Leased Property) does not exceed the weighted average useful life of the Leased Property.
ARTICLE 7
PAYMENTS BY THE CITY

Section 7.1 Payments to Constitute Currently Budgeted Expenditures of the City. The City and the Trustee acknowledge and agree that the Series 2020A Base Rentals, Series 2020B Base Rentals, Additional Rentals and any other obligations hereunder shall constitute currently budgeted expenditures of the City, if an Appropriation has been effected for such purpose. The City’s obligations to pay Series 2020A Base Rentals, Series 2020B Base Rentals, Additional Rentals and any other obligations under this Lease shall be from year to year only (as further provided in Article 5 and Sections 7.2 and 7.4 hereof), shall extend only to moneys for which an Appropriation has been effected by the City, and shall not constitute a mandatory charge, requirement or liability in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision of this Lease shall be construed or interpreted as a delegation of governmental powers or as creating a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City or a general obligation or other indebtedness of the City within the meaning of any constitutional or statutory debt limitation, including without limitation Article X, Section 20 of the Colorado constitution. No provision of this Lease shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of Sections 1 or 2 of Article XI of the Constitution of the State. Neither this Lease nor the Certificates shall directly or indirectly obligate the City to make any payments beyond those for which an Appropriation has been effected by the City for the City’s then current Fiscal Year. The City shall be under no obligation whatsoever to exercise its option to purchase the Trustee’s leasehold interest in the Leased Property. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of City moneys, nor shall any provision of this Lease restrict the future issuance of any City bonds or obligations payable from any class or source of City moneys (provided, however, that certain restrictions in the Indenture shall apply to the issuance of Additional Series 2020A Certificates and Additional Series 2020B Certificates).

Section 7.2 Base Rentals, Purchase Option Price and Additional Rentals. (a) The City shall pay Series 2020A Base Rentals and Series 2020B Base Rentals for which an Appropriation has been effected by the City, directly to the Trustee during the Initial Term and any Renewal Term, on the Base Rentals Payment Dates and in the “Total Base Rentals” amounts set forth in Exhibit C (Base Rentals Schedule) attached hereto and made a part hereof. For federal and State income tax purposes, a portion of each payment of Base Rentals for the Certificates is designated and will be paid as interest, and Exhibit C (Base Rentals Schedule) sets forth the Series 2020A Interest Portion and Series 2020B Interest Portion of each payment of each Series 2020A Base Rentals and Series 2020B Base Rentals, respectively, for the Certificates. The City shall receive credit against its obligation to pay Series 2020A Base Rentals to the extent moneys are held by the Trustee on deposit in the Series 2020A Base Rentals Fund and are available to pay Series 2020A Base Rentals. The City shall receive credit against its obligation to pay Series 2020B Base Rentals to the extent moneys are held by the Trustee on deposit in the Series 2020B Base Rentals Fund and are available to pay Series 2020B Base Rentals. The City acknowledges that upon receipt by the Trustee of each payment of Series 2020A Base Rentals, the Trustee, pursuant to the terms of the Indenture, is to deposit the amount of such Series 2020A Base Rentals in the Series 2020A Base Rentals Fund, and upon

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receipt by the Trustee of each payment of Series 2020B Base Rentals, the Trustee, pursuant to the terms of the Indenture, is to deposit the amount of such Series 2020B Base Rentals in the Series 2020A Base Rentals Fund.

The Base Rentals set forth in Exhibit C shall also be recalculated in the event of a partial optional redemption of the Certificates or the execution and delivery of Additional Series 2020A Certificates or Additional Series 2020B Certificates as provided in the Indenture.

(b) The City may, on any date, pay the then applicable Purchase Option Price for the purpose of terminating this Lease and the Site Lease in whole and purchasing the Trustee’s leasehold interest in the Leased Property as further provided in Article 13 of this Lease. Subject to the Approval of Special Counsel, the City may also, at any time during the Lease Term, (1) prepay any portion of the Series 2020A Base Rentals and/or Series 2020B Base Rentals due under this Lease and (2) in connection with such prepayment, recalculate the Base Rentals set forth in Exhibit C (Base Rentals Schedule). The Trustee may conclusively rely upon such revised Exhibit C (Base Rentals Schedule) and has no duty to make an independent investigation in connection therewith. Any such revised Exhibit C (Base Rentals Schedule) shall be prepared by the City Representative and delivered to the Trustee. The City shall give the Trustee notice of its intention to exercise either of such options not less than forty-five (45) days in advance of the date of exercise and shall deposit with the Trustee by not later than the date of exercise an amount equal to the Purchase Option Price due on the date of exercise or the applicable amount of Series 2020A Base Rentals and/or Series 2020B Base Rentals to be prepaid. If the City shall have given notice to the Trustee of its intention to prepay Series 2020A Base Rentals and/or Series 2020B Base Rentals but shall not have deposited the amounts with the Trustee on the date specified in such notice, the City shall continue to pay Series 2020A Base Rentals and Series 2020B Base Rentals which have been specifically appropriated by the City Council for such purpose as if no such notice had been given. The Trustee may waive the right to receive forty-five (45) days advance notice and may agree to a shorter notice period in the sole determination of the Trustee.

(c) All Additional Rentals shall be paid by the City on a timely basis directly to the person or entity to which such Additional Rentals are owed. Additional Rentals shall include, without limitation, the reasonable fees and expenses of the Trustee, reasonable expenses of the Trustee in connection with the Leased Property and for the cost of taxes, insurance premiums, utility charges, maintenance and repair costs and all other expenses expressly required to be paid hereunder, including any Rebate Fund payments required pursuant to this Lease and the Indenture. All of the payments required by this paragraph are subject to Appropriation by the City; provided, however, a failure by the City to budget and appropriate moneys for any of the payments required by this paragraph shall constitute an Event of Nonappropriation.

If the City’s estimates of Additional Rentals for any Fiscal Year are not itemized in the budget required to be furnished to the Trustee under Section 5.1 of this Lease, the City shall furnish an itemization of such estimated Additional Rentals to the Trustee on or before the 15th day preceding such Fiscal Year.

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Section 7.3 Manner of Payment. The Base Rentals, for which an Appropriation has been effected by the City, and, if paid, the Purchase Option Price, shall be paid or prepaid by the City to the Trustee at its corporate trust office by wire transfer of federal funds, certified funds or other method of payment acceptable to the Trustee in lawful money of the United States of America to the Trustee at its corporate trust office.

The obligation of the City to pay the Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals as required under this Article 7 and other sections hereof in any Fiscal Year for which an Appropriation has been effected by the City for the payment thereof shall be absolute and unconditional and payment of the Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals in such Fiscal Years shall not be abated through accident or unforeseen circumstances, or any default by the Trustee under this Lease, or under any other agreement between the City and the Trustee, or for any other reason including without limitation, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Property, commercial frustration of purpose, or failure of the Trustee, to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Lease, it being the intention of the parties that the payments required by this Lease will be paid in full when due without any delay or diminution whatsoever, subject only to the annually renewable nature of the City’s obligation hereunder as set forth in Section 7.1 hereof, and further subject to the City’s rights under Section 11.3 hereof; provided, however, that the City shall be authorized to terminate this Lease at any time that there should be action by the legislature of the State, an amendment to the State Constitution, or entry of a court order which results in the obligations imposed upon the City hereunder being illegal, unconstitutional, or otherwise unenforceable. Notwithstanding any dispute between the City and the Trustee, the City shall, during the Lease Term, make all payments of Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals in such Fiscal Years and shall not withhold any Series 2020A Base Rentals, Series 2020B Base Rentals or Additional Rentals, for which an Appropriation has been effected by the City, pending final resolution of such dispute (except to the extent permitted by Sections 9.2 and 10.3 hereof with respect to certain Additional Rentals), nor shall the City assert any right of set-off or counterclaim against its obligation to make such payments required hereunder. No action or inaction on the part of the Trustee shall affect the City’s obligation to pay all Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the City for such purpose, in such Fiscal Years subject to this Article (except to the extent provided by Sections 9.2 and 10.3 hereof with respect to certain Additional Rentals).

Section 7.4 Event of Nonappropriation. In the event that the City gives notice that it intends to not renew this Lease as provided by Section 5.1 hereof or the City shall not effect an Appropriation, or before December 31 of each Fiscal Year, of moneys to pay all Series 2020A Base Rentals, all Series 2020B Base Rentals and reasonably estimated Additional Rentals coming due for the next ensuing Renewal Term as provided in Section 5.1 hereof and this Article, or in the event that the City is proceeding under the provisions of Section 11.3(c) hereof (when applicable), an Event of Nonappropriation shall be deemed to have occurred, as applicable; subject, however, to each of the following provisions:

(a) In the event the Trustee does not receive the written notice provided for by Section 5.1 hereof or evidence that an Appropriation has been effected by the City on or before
December 31 of a Fiscal Year, then the Trustee shall declare an Event of Nonappropriation on the first Business Day of the February following such Fiscal Year or such declaration shall be made on any earlier date on which the Trustee receives official, specific written notice from the City that this Lease will not be renewed; provided that the Trustee’s failure to declare an Event of Nonappropriation on such date shall not be construed as a waiver of the Event of Nonappropriation or the consequences of such an event under this Lease. In order to declare an Event of Nonappropriation, the Trustee shall send written notice thereof to the City.

(b) The Trustee shall waive any Event of Nonappropriation which is cured by the City, within 30 days of the receipt by the City of notice from the Trustee as provided in (a) above, by a duly effected Appropriation to pay all Series 2020A Base Rentals, Series 2020B Base Rentals and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term.

(c) Pursuant to the terms of the Indenture, the Trustee may, with the prior written consent of the Initial Purchaser, waive any Event of Nonappropriation which is cured by the City within a reasonable time with the procedure described in (b) above.

In the event that during the Initial Term or any Renewal Term, any Additional Rentals shall become due which were not included in a duly effected Appropriation and moneys are not specifically budgeted and appropriated or otherwise made available to pay such Additional Rentals within 60 days subsequent to the date upon which such Additional Rentals are due, an Event of Nonappropriation shall be deemed to have occurred, upon notice by the Trustee to the City to such effect (subject to waiver by the Trustee as hereinbefore provided).

If an Event of Nonappropriation occurs, the City shall not be obligated to make payment of the Series 2020A Base Rentals, Series 2020B Base Rentals or Additional Rentals, or any other payments provided for herein which accrue after the last day of the Initial Term or any Renewal Term during which such Event of Nonappropriation occurs; provided, however, that, subject to the limitations of Sections 7.1 and 15.3 hereof, the City shall continue to be liable for Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals allocable to any period during which the City shall continue to occupy, use or retain possession of the Leased Property.

Subject to Section 7.5 hereof, the City shall in all events vacate or surrender possession of the Leased Property by March 1 of the Renewal Term in respect of which an Event of Nonappropriation has occurred.

After March 1 of the Renewal Term in respect of which an Event of Nonappropriation has occurred, the Trustee may proceed to exercise all or any Lease Remedies.

The City acknowledges that, upon the occurrence of an Event of Nonappropriation: (a) the Trustee shall be entitled to all moneys then being held in the Series 2020A Base Rentals Fund, the Series 2020A Costs of Execution and Delivery Fund, the Series 2020B Base Rentals Fund, the Series 2020B Costs of Execution and Delivery
Fund and in all other funds created under the Indenture (except the Rebate Fund and any defeasance escrow accounts) to be used as described therein; and (b) all property, funds and rights then held or acquired by the Trustee upon the termination of this Lease by reason of an Event of Nonappropriation or Event of Lease Default as described herein or in the Indenture, the Trustee shall provide written notice thereof to the Initial Purchaser and shall proceed in accordance with any written instructions received by the Initial Purchaser. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in the Indenture.

Section 7.5 Holdover Tenant. If the City fails to vacate the Leased Property after termination of this Lease, whether as a result of the occurrence of an Event of Nonappropriation or an Event of Lease Default as provided in Section 15.2(a) hereof, with the written permission of the Trustee it will be deemed to be a holdover tenant on a month-to-month basis, and will be bound by all of the other terms, covenants and agreements of this Lease. Any holding over by the City without the written permission of the Trustee shall be at sufferance. The amount of rent to be paid monthly during any period when the City is deemed to be a holdover tenant will be equal to (a) one-third of the Series 2020A Interest Portion of the Series 2020A Base Rentals and one-third of the Series 2020B Interest Portion of the Series 2020B Base Rentals coming due on the next succeeding Base Rentals Payment Date, plus one-twelfth of the Series 2020A Principal Portion of the Series 2020A Base Rentals and one-twelfth of the Series 2020B Principal Portion of the Series 2020B Base Rentals coming due on the next succeeding Base Rentals Payment Date on which a Series 2020A Principal Portion or Series 2020B Principal Portion of the Base Rentals would have been payable with appropriate adjustments to ensure the full payment of such amounts on the due dates thereof in the event termination occurs during a Renewal Term plus (b) Additional Rentals as the same shall become due.

Section 7.6 Prohibition of Adverse Budget or Appropriation Modifications. To the extent permitted by law, the City shall not, during any Fiscal Year of the Lease Term, make any budgetary transfers or other modifications to its then existing budget and appropriation measures relating to the Leased Property or this Lease which would adversely affect the City’s ability to meet its obligation to pay Base Rentals and duly budgeted and appropriated Additional Rentals hereunder.

Section 7.7 Supplemental Public Securities Act Provision. Pursuant to the ordinance of the City Council of the City authorizing the execution and delivery of this Lease and the Site Lease, the City has elected to apply all of the Supplemental Act to the Certificates. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, such recital shall be conclusive evidence of the validity and the regularity of the execution of Certificates and this Lease after its delivery for value.
ARTICLE 8
SITE LEASE; TITLE INSURANCE

Section 8.1 Site Lease. At the time of the execution and delivery of this Lease, the City shall have leased to the Trustee, and the Trustee shall have leased from the City, the Leased Property pursuant to the Site Lease. As further provided in Section 9.1 hereof, a leasehold interest in the Leased Property shall be held by the Trustee, subject to this Lease.

Section 8.2 Title Insurance. The Trustee shall be provided with a Leasehold Owner’s title insurance policy insuring the Trustee’s leasehold estate in the Leased Property under the Site Lease, subject only to Permitted Encumbrances, with such policy to be in an amount not less than the aggregate principal amount of the Certificates or such lesser amount as shall be the maximum insurable value of the Leased Property. Such policy, or a binding commitment therefor, shall be provided to the Trustee concurrently with the execution and delivery of the Certificates and in connection with the issuance of any Additional Series 2020A Certificates or Additional Series 2020B Certificates.

ARTICLE 9
Title to the Leased Property. At all times during the Lease Term, title to the Leased Property shall remain in the City, subject to the Site Lease, this Lease, the Indenture and any other Permitted Encumbrances. Except personal property purchased by the City at its own expense pursuant to Section 10.2 of this Lease, a leasehold estate in the Leased Property and any and all additions and modifications thereto and replacements thereof shall be held in the name of the Trustee until the Trustee has exercised Lease Remedies or until the Trustee’s leasehold interest in the Leased Property is conveyed to the City as provided in Article 13 of this Lease, or until termination of the Site Lease, notwithstanding (i) the occurrence of an Event of Nonappropriation as provided in Section 7.4 of this Lease, respectively, or one or more Events of Lease Default as defined in Section 15.1 of this Lease; (ii) the occurrence of any event of damage, destruction, condemnation or construction defect or title defect, as provided in Article 11 of this Lease; or (iii) the violation by the Trustee (or by the Trustee as assignee of the Lessor pursuant to the Indenture) of any provision of the Site Lease or this Lease.

No Encumbrance, Mortgage or Pledge of the Leased Property. Except as may be permitted by this Lease, the City shall not permit any mechanic’s or other lien to be established or remain against the Leased Property; provided that, if the City shall first notify the Trustee of the intention of the City to do so, the City may in good faith contest any mechanic’s or other lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee shall notify the City that, in the opinion of Counsel, by nonpayment of any such items the Trustee’s interest in the Leased Property will be materially endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay and cause to be satisfied and discharged all such unpaid items (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such items). The Trustee will cooperate in any such contest. Except as may be permitted by this Lease, the City shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, except Permitted Encumbrances. The City shall promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above.
ARTICLE 10
MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

Section 10.1 Maintenance of the Leased Property by the City. Subject to its right to not appropriate and as otherwise provided in Section 11.3 hereof, the City agrees that at all times during the Lease Term, the City will maintain, preserve and keep the Leased Property or cause the Leased Property to be maintained, preserved and kept, in good repair, working order and condition, and from time to time make or cause to be made all necessary and proper repairs, including replacements, if necessary. The Trustee shall have no responsibility in any of these matters or for the making of any additions, modifications or replacements to the Leased Property.

Section 10.2 Modification of the Leased Property; Installation of Furnishings and Machinery of the City. The City shall have the privilege of making additions, modifications and improvements to the Leased Property, at its own cost and expense, as appropriate, and any such additions, modifications and improvements to the Leased Property; shall be the property of the City, subject to the Site Lease, this Lease and the Indenture; and shall be included under the terms of the Site Lease, this Lease and the Indenture; provided, however, that such additions, modifications and improvements shall not in any way damage the Leased Property or cause the Leased Property to be used for purposes other than what was its intended purpose upon construction or other lawful governmental functions of the City (except to the extent of subleasing permitted under Section 14.2 hereof) or cause the City to violate its tax covenant in Section 12.5 hereof; and provided that the Leased Property, as improved or altered, upon completion of such additions, modifications and improvements, shall be of a value not less than the value of the Leased Property immediately prior to such making of additions, modifications and improvements.

The City may also, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in or on the Leased Property. All such machinery, equipment and other tangible property shall remain the sole property of the City in which the Trustee shall have no interests; provided, however, that title to any such machinery, equipment and other tangible property shall become part of the Leased Property and be included under the terms of this Lease to the extent that: (a) any such machinery, equipment or other tangible property is permanently affixed to the Leased Property; or (b) the removal of such machinery, equipment or other tangible property would damage or impair the Leased Property.

The City shall have the right to make substitutions to the Leased Property upon compliance with the provisions set forth in Section 12.4 hereof.

Section 10.3 Taxes, Other Governmental Charges and Utility Charges. The City is tax-exempt and does not expect that any taxes, special assessments or governmental charges will be levied against the Leased Property. However, in the event that the Leased Property shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body, the City shall pay the amount of all such taxes, assessments and governmental charges then due, as Additional Rentals. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the City shall be obligated to provide for Additional Rentals only for such installments as are
required to be paid during the upcoming Fiscal Year. Except for Permitted Encumbrances, the City shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property (including, without limitation, any taxes levied upon the Leased Property which, if not paid, will become a charge on the rentals and receipts from the Leased Property, or any interest therein, including the interests of the Trustee), or the rentals and revenues derived therefrom or hereunder. The City shall also pay as Additional Rentals, as the same respectively become due, all utility and other charges and fees and other expenses incurred in the operation, maintenance and upkeep of the Leased Property.

The City may, at its expense, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments, utility or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the City that, in the opinion of Counsel, by nonpayment of any such items the value of the Leased Property will be materially endangered or the Leased Property will be subject to loss or forfeiture, or the Trustee will be subject to liability, in which event such taxes, assessments, utility or other charges shall be paid forthwith (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such taxes, assessments, utility or other charges).

Section 10.4 Provisions For Liability and Property Insurance. The City, at the Trustee’s option, will either self-insure, or at City’s cost, will cause casualty insurance and property damage insurance to be carried and maintained on the Leased Property, with all such coverages to be in such amounts sufficient to cover the value of the Leased Property at the commencement of this Lease (as determined by the purchase price paid for the Leased Property), and public liability insurance with respect to the Leased Property in the amounts required by law, but in no event with a policy limit less than $1,000,000 per occurrence. All insurance shall be written in such forms, to cover such risks, and with such insurers, as are customary for public entities such as the City. A combination of self-insurance and policies of insurance may be utilized. If policies of insurance are obtained, City will cause the Trustee to be a loss payee as its interest under this Lease may appear on such property damage insurance policies, and an additional insured on a primary and noncontributory basis on such public liability insurance in an amount equal to or exceeding the minimum limit stated herein. The City will deliver to the Trustee the policies or evidences of insurance or self-insurance satisfactory to the Trustee, together with receipts for the applicable premiums prior to the execution and delivery of this Lease, and at least thirty (30) days before the expiration of any such policies. By endorsement upon the policy or by independent instrument furnished to the Trustee, such insurer will agree that it will give the Trustee at least thirty (30) days' written notice prior to cancellation or alteration of the policy. To the extent required by law, the City will carry workers compensation insurance covering all employees working on, in, or about the Leased Property, and will require any other person or entity working on, in, or about the Leased Property to carry such coverage, and will furnish to the Trustee certificates evidencing such coverages throughout the Lease Term upon request of the Trustee. If, at any time during the Lease Term it is determined that any part of the Leased Property is located in a flood zone, as determined in accordance with 12 CFR Chapter 1, Part 22 or its successor (the “Flood Insurance Regulations”), the City, at its own expense, shall obtain and maintain for the entire Lease Term flood insurance covering the Leased Property in such form and amount as is required under the Flood Insurance Regulations. If, at any time during the Lease Term, the City shall fail to maintain such adequate flood
insurance, the Trustee may, to the extent permitted by law, purchase such insurance on the City’s behalf, and the cost thereof shall be deemed to be Additional Rentals. The City shall provide evidence of the renewal or replacement of such flood insurance at least 15 days prior to its expiration.

Section 10.5 Advances. If the City fails to pay any Additional Rentals during the Lease Term as such Additional Rentals become due, the Trustee may (but shall not be obligated to) pay such Additional Rentals and the City agrees to reimburse the Trustee to the extent permitted by law and subject to Appropriation as provided under Article 7 hereof.

Section 10.6 Granting of Easements. As long as no Event of Nonappropriation or Event of Lease Default shall have happened and be continuing, the Trustee, shall upon the request of the City:

(a) grant or enter into easements, permits, licenses, party wall and other agreements, rights-of-way (including the dedication of public roads) and other rights or privileges in the nature of easements, permits, licenses, party wall and other agreements and rights of way with respect to any property or rights included in this Lease (whether such rights are in the nature of surface rights, sub-surface rights or air space rights), free from this Lease and any security interest or other encumbrance created hereunder or thereunder;

(b) release existing easements, permits, licenses, party wall and other agreements, rights-of-way, and other rights and privileges with respect to such property or rights, with or without consideration; and

(c) execute and deliver any instrument necessary or appropriate to grant, enter into or release any such easement, permit, license, party wall or other agreement, right-of-way or other grant or privilege upon receipt of: (i) a copy of the instrument of grant, agreement or release and (ii) a written application signed by the City Representative requesting such grant, agreement or release and stating that such grant, agreement or release will not materially impair the effective use or materially interfere with the operation of the Leased Property, and will not materially adversely affect the security intended to be given by or under the Indenture, the Site Lease or this Lease.
ARTICLE 11
DAMAGE, DESTRUCTION AND CONDEMNATION;
USE OF NET PROCEEDS

Section 11.1  Damage, Destruction and Condemnation. If, during the Lease Term,

(a) the Leased Property shall be destroyed (in whole or in part), or damaged by fire or other casualty; or

(b) title to, or the temporary or permanent use of, the Leased Property or any portion thereof or the estate or any interest of the City or the Trustee in the Leased Property is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or entity acting under governmental authority; or

(c) a breach of warranty or a material defect in the construction, manufacture or design of the Leased Property becomes apparent; or

(d) title to or the use of all or a portion of the Leased Property is lost by reason of a defect in title thereto.

then the City shall be obligated to continue to pay Base Rentals and Additional Rentals (subject to Article 7 hereof).

Section 11.2  Obligation to Repair and Replace the Leased Property. The City and the Trustee, to the extent Net Proceeds are within their respective control, shall cause such Net Proceeds of any insurance policies, performance bonds or condemnation awards to be deposited in a separate trust fund. All Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the City, upon receipt of requisitions by the Trustee signed by the City Representative stating with respect to each payment to be made:

(a) the requisition number;

(b) the name and address of the person, firm or entity to whom payment is due;

(c) the amount to be paid; and

(d) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation.

The Trustee shall have no duty to review or examine the accompanying bill, invoice or statement of account, but may conclusively rely on the properly executed disbursement request. The City and the Trustee shall agree to cooperate and use their best reasonable efforts subject to the terms of the Indenture to enforce claims which may arise in connection with material defects in the construction, manufacture or design of the Leased Property or otherwise. The City shall file a certificate with the Trustee certifying the completion of any such repair, restoration,
modification, improvement or replacement and the Trustee may conclusively rely on any requisitions presented pursuant to this Section and shall have no obligation to make an independent investigation. If there is a balance of any Net Proceeds remaining after such repair, restoration, modification, improvement or replacement has been completed, this balance shall be used by the City, to:

(a) add to, modify or alter the Leased Property or add new components thereto, or

(b) prepay the Series 2020A Base Rentals and/or Series 2020B Base Rentals, in respective amounts in the sole discretion of the City, with a corresponding adjustment in the amount of Base Rentals payable under Exhibit C (Base Rentals Schedule) to this Lease or

(c) accomplish a combination of (a) and (b).

Any repair, restoration, modification, improvement or replacement of the Leased Property paid for in whole or in part out of Net Proceeds allocable to the Leased Property shall be the property of the City, subject to the Site Lease, this Lease and the Indenture and shall be included as part of the Leased Property under this Lease.

Section 11.3 Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Leased Property required under Section 11.2 of this Lease, the City may elect to:

(a) complete the work or replace such Leased Property (or portion thereof) with similar property of a value equal to or in excess of such portion of the Leased Property and pay as Additional Rentals, to the extent amounts for Additional Rentals which have been specifically appropriated by the City are available for payment of such cost, any cost in excess of the amount of the Net Proceeds, and the City agrees that, if by reason of any such insufficiency of the Net Proceeds, the City shall make any payments pursuant to the provisions of this paragraph, the City shall not be entitled to any reimbursement therefor from the Trustee, nor shall the City be entitled to any diminution of the Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the City for such purpose, payable under Article 7 of this Lease; or

(b) apply the Net Proceeds allocable to the Leased Property to the payment of the Purchase Option Price in accordance with Article 13 of this Lease, or an appropriate portion thereof. In the event of an insufficiency of the Net Proceeds for such purpose, the City shall, subject to the limitations of Section 7.1 hereof, pay such amounts as may be necessary to equal that portion of the Purchase Option Price which is attributable to the Leased Property for which Net Proceeds have been received (as certified to the Trustee by the City); and in the event the Net Proceeds shall exceed such portion of the Purchase Option Price, such excess shall be used as directed by the City in the same manner as set forth in Section 11.2 hereof; or

(c) if the City does not timely budget and appropriate sufficient funds to proceed under either (a) or (b) above, an Event of Nonappropriation will be deemed to have occurred and, subject to the City’s right to cure, the Trustee may pursue remedies available to it following an Event of Nonappropriation.
The above referenced election shall be made by the City within 90 days after the occurrence of an event specified in Section 11.1 of this Lease. It is hereby declared to be the City’s present intention that, if an event described in Section 11.1 hereof should occur and if the Net Proceeds shall be insufficient to pay in full the cost of repair, restoration, modification, improvement or replacement of the Leased Property, the City would use its best efforts to proceed under either paragraph (a) or paragraph (b) above; but it is also acknowledged that the City must operate within budgetary and other economic constraints applicable to it at the time, which cannot be predicted with certainty; and accordingly the foregoing declaration shall not be construed to contractually obligate or otherwise bind the City.

Section 11.4 Cooperation of the Trustee. The Trustee shall cooperate fully with the City, at the expense of the City or in accordance with Section 10.03 of the Indenture, in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 11.1 of this Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property and in the enforcement of all warranties relating to the Leased Property. So long as no Event of Lease Default or Event of Non-appropriation has occurred and is then existing, the Trustee shall not voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim performance or payment bond claim, prospective or pending condemnation proceeding with respect to the Leased Property without the written consent of the City.
ARTICLE 12
DISCLAIMER OF WARRANTIES; OTHER COVENANTS

Section 12.1 Disclaimer of Warranties. THE TRUSTEE HAS NOT MADE AND WILL NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY. THE CITY HEREBY ACKNOWLEDGES AND DECLARES THAT THE CITY IS SOLELY RESPONSIBLE FOR THE CONDITION, MAINTENANCE, REPAIR AND OPERATION OF THE LEASED PROPERTY, AND THAT THE TRUSTEE HAS NO RESPONSIBILITY THEREFOR. THE TRUSTEE HAS NOT MADE AND WILL NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY. THE CITY HEREBY ACKNOWLEDGES AND DECLARES THAT THE CITY IS SOLELY RESPONSIBLE FOR THE MAINTENANCE AND OPERATION OF THE LEASED PROPERTY, AND THAT THE TRUSTEE HAS NO RESPONSIBILITY THEREFOR. For the purpose of enabling the City to discharge such responsibility, the Trustee constitutes and appoints the City as its attorney in fact for the purpose of asserting and enforcing, at the sole cost and expense of the City, all manufacturer’s and contractor’s warranties and guaranties, express or implied, with respect to the Leased Property, as well as any claims or rights the Trustee may have in respect of the Leased Property against any manufacturer, supplier, contractor or other person. Except as otherwise provided in this Lease, the Trustee shall not be liable for any direct or indirect, incidental, special, punitive or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by the City of any item, product or service provided for herein except that nothing shall relieve the Trustee’s liability for any claims, damages, liability or court awards, including costs, expenses and attorney fees, relating to or arising from the Trustee’s actions or omissions that result from the negligence, bad faith or intentional misconduct of the Trustee or its employees.

Section 12.2 Further Assurances and Corrective Instruments. The Trustee and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such amendments hereof or supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property.

Section 12.3 Compliance with Requirements. During the Lease Term, the City and the Trustee shall observe and comply promptly to the extent possible with all current and future orders of all courts having jurisdiction over the Leased Property, provided that the City and the Trustee may contest or appeal such orders so long as they are in compliance with such orders during the contest or appeal period, and all current and future requirements of all insurance companies writing policies covering the Leased Property.
Section 12.4 Release and Substitution of Leased Property. So long as no Event of Lease Default or Event of Nonappropriation shall have occurred and be continuing, the City shall be entitled to substitute any improved or unimproved real estate (collectively, the “Replacement Property”), for any Leased Property then subject to the Site Lease, this Lease and the Indenture, upon receipt by the Trustee of a written request of the City Representative requesting such release and substitution, provided that:

(a) such Replacement Property shall have an equal or greater value and utility (but not necessarily the same function) to the City as the Leased Property proposed to be released, as determined by a certificate from the City to that effect;

(b) the fair market value of Replacement Property shall be not less than the fair market value of the Leased Property proposed to be released from this Lease and the Indenture, or, in the alternative, the fair market value of the Leased Property remaining after the proposed release shall be at least equal to the aggregate principal amount of the Outstanding Certificates. The fair market value of any improved or unimproved real property shall be determined by an M.A.I. appraisal report prepared by an independent real estate appraiser and submitted by the City to the Trustee;

(c) the Initial Purchaser has consented to the substitution of the Replacement Property; and

(d) the execution and delivery of such supplements and amendments to the Site Lease, as applicable, this Lease and the Indenture and any other documents necessary to subject any Replacement Property to be substituted for the portion of the Leased Property to be released to the lien of the Indenture.

The Trustee shall cooperate with the City in implementing the City’s rights to release and substitute property pursuant to this Section 12.4 and shall execute any and all conveyances, releases or other documents necessary or appropriate in connection therewith.

Section 12.5 Tax Covenants. The City acknowledges that the moneys in all funds and accounts expected to be created under the Indenture are to be invested or deposited by the Trustee, at the written direction of the City.

The City covenants for the benefit of the Owners of the Series 2020B Certificates that it will not take any action or omit to take any action with respect to the Series 2020B Certificates, the proceeds thereof, any other funds of the City or any facilities financed with the proceeds of the Series 2020B Certificates (except for the possible exercise of the City’s right to terminate this Lease as provided herein) if such action or omission:

(i) would cause the interest on the Series 2020B Certificates 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 Series 2020B Certificates to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code.

(iii) would cause interest on the Series 2020B Certificates to lose its exclusion from Colorado taxable income or to lose its exclusion from Colorado alternative minimum taxable income under present Colorado law.

Subject to the City’s right to terminate this Lease as provided herein, the foregoing covenant shall remain in full force and effect.
notwithstanding the payment in full or defeasance of the Series 2020B Certificates, 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.

In addition, the City covenants that its direction of investments pursuant to Article 5 of the Indenture shall be in compliance with the procedures established by the Tax Certificate to the extent required to comply with its covenants contained in the foregoing provisions of this Section. The City hereby agrees that, to the extent necessary, it will, during the Lease Term, pay to the Trustee such sums as are required for the Trustee to pay the amounts due and owing to the United States Treasury as rebate payments. Any such payment shall be accompanied by directions to the Trustee to pay such amounts to the United States Treasury. Any payment of City moneys pursuant to the foregoing sentence shall be Additional Rentals for all purposes of this Lease.

The City is to execute the Tax Certificate in connection with the execution and delivery of this Lease, which Tax Certificate shall provide further details in respect of the City’s tax covenants herein.

The City hereby designates the obligations of the City with regard to the Series 2020B Base Rentals and Series 2020B Certificates hereunder as “qualified tax-exempt obligations” for purposes of Section 265(b)(3)(B) of the Code.

Section 12.6 Covenant to Reimburse Legal Expenses. To the extent permitted by Colorado law and subject to Appropriation by the City Council, the City shall defend and hold harmless the Trustee and the Initial Purchaser against claims arising from the alleged negligent acts or omissions of the City’s public employees, which occurred or are alleged to have occurred during the performance of their duties and within the scope of their employment, unless such acts or omissions are, or are alleged to be, willful and wanton. Such claims shall be subject to the limitations of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101 to 24-10-120. The City shall include as Additional Rentals, the reimbursement of reasonable and necessary expenses incurred by the Trustee to defend the Trustee or incurred by the Initial Purchaser to defend the Initial Purchaser from and against all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of the Leased Property or from any work or thing done on the Leased Property during the Lease Term requested by the City, or from any condition of the Leased Property caused by the City. This duty to reimburse the Trustee’s and the Initial Purchaser’s legal expenses is not an indemnification and it is expressly understood that the City is not indemnifying the Trustee or the Initial Purchaser and, as previously stated, is limited to Net Proceeds and moneys, if any, in excess of such Net Proceeds, for which an Appropriation has been effected.

Section 12.7 Access to the Leased Property; Rights to Inspect Books. The City agrees that the Trustee and the Initial Purchaser shall have the right at all reasonable times and with reasonable notice to examine and inspect the Leased Property (subject to such regulations as may be imposed by the City for security purposes) and all of the City’s books and records with respect thereto, but the Trustee and the Initial Purchaser have no duty to inspect the Leased Property or such books or records. The City further agrees that the Trustee shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper
maintenance of the Leased Property in the event of failure by the City to perform its obligations under this Lease. The Indenture allows the City to have the right at all reasonable times to examine and inspect all of the Trustee’s books and records with respect to the Leased Property and all funds and accounts held under the Indenture.

The City and its representatives shall have the right to examine and inspect the books and records of the Trustee relating to the Leased Property at all reasonable times from the date of this Lease and until three years after the termination date of this Lease.
ARTICLE 13
PURCHASE OPTION

Section 13.1 Purchase Option. The City shall have the option to purchase the Trustee’s leasehold interest in the Leased Property at any time, but only if an Event of Lease Default or Event of Nonappropriation has not occurred and is then continuing. The City may exercise its option on any date by complying with one of the conditions set forth in Section 13.2.

The City shall give the Trustee notice of its intention to exercise its option not less than forty-five (45) days in advance of the date of exercise and shall deposit the required moneys with the Trustee on or before the date selected by the City to pay the Purchase Option Price. The Trustee may waive such notice or may agree to a shorter notice period in the sole determination of the Trustee.

If the City shall have given notice to the Trustee of its intention to purchase the Trustee’s leasehold interest in the Leased Property, but shall not have deposited the amounts with the Trustee on the date specified in such notice, the City shall continue to pay Base Rentals, which have been specifically appropriated by the City for such purpose, as if no such notice had been given.

Section 13.2 Transfer, Conveyance and Release of Leased Property. The Trustee shall release the Trustee’s leasehold interest in the Leased Property and in the manner provided for in Section 13.3 of this Lease; provided, however, that prior to such transfer, conveyance and release, either:

(a) the City shall have paid the then applicable Purchase Option Price, plus any fees and expenses then owing to the Trustee and any other Additional Rentals required to be paid hereunder; or

(b) the City shall have paid all Series 2020A Base Rentals and Series 2020B Base Rentals set forth in Exhibit C (Base Rentals Schedule) hereto, for the entire maximum Lease Term, and all then current Additional Rentals required to be paid hereunder.

At the City’s option, amounts then on deposit in any fund held under the Indenture (except the Rebate Fund and any defeasance escrow funds) may be credited toward the Purchase Option Price.

Section 13.3 Manner of Conveyance. At the closing of the purchase or other conveyance of all of the Trustee’s leasehold interest in the Leased Property pursuant to Section 13.2 of this Lease, the Trustee shall release and terminate the Site Lease, this Lease and the Indenture and execute and deliver to the City any necessary documents releasing, assigning, transferring and conveying the Trustee’s leasehold interests in the Leased Property, as they then exist, subject only to the following:

(a) Permitted Encumbrances, other than the Site Lease, this Lease and the Indenture;
(b) all liens, encumbrances and restrictions created or suffered to exist by the Trustee as required or permitted by the Site Lease, this Lease or the Indenture or arising as a result of any action taken or omitted to be taken by the Trustee as required or permitted by the Site Lease, this Lease or the Indenture;

(c) any lien or encumbrance created or suffered to exist by action of the City; and those liens and encumbrances (if any) to which title to the Leased Property was subject when leased to the Trustee.
ARTICLE 14
ASSIGNMENT AND SUBLEASING

Section 14.1 Assignment by the Trustee; Replacement of the Trustee. Except as otherwise provided in this Lease and the Indenture, this Lease may not be assigned by the Trustee for any reason other than to a successor by operation of law or to a successor trustee under the Indenture or with the prior written consent of the City which consent shall not be unreasonably withheld. The Trustee will notify the City of any assignment to a successor by operation of law.

If an Event of Lease Default or Event of Non-appropriation has occurred and is continuing, the Trustee may act as herein provided, including exercising the remedies set forth in Section 15.2, without the prior written direction of the City.

Section 14.2 Assignment and Subleasing by the City. This Lease may not be assigned by the City for any reason other than to a successor by operation of law. However, the Leased Property may be subleased, as a whole or in part, by the City, without the necessity of obtaining the consent of the Trustee or any owner of the Certificates, subject to each of the following conditions:

(a) The Leased Property may be subleased, in whole or in part, only to an agency or department of, or a political subdivision of, the State, or to another entity or entities with Approval of Special Counsel;

(b) This Lease, and the obligations of the City hereunder, shall, at all times during the Lease Term remain obligations of the City, and the City shall maintain its direct relationships with the Trustee, notwithstanding any sublease;

(c) No sublease by the City shall cause the Leased Property to be used for any purpose which would cause the City to violate its tax covenant in Section 12.5 hereof;

(d) The City shall furnish or cause to be furnished to the Trustee a copy of any sublease agreement; and
Any sublease of the Leased Property shall provide that it is subject to the terms and conditions of this Lease and that, except as hereinafter provided, it shall automatically terminate upon a termination of this Lease; provided, however, that upon a termination of this Lease due to an Event of Lease Default or Event of Non-appropriation, the Trustee may, upon notification to the sublessee, keep any such sublease in full force and effect as a direct lease by the Trustee to the sublessee.
ARTICLE 15
EVENTS OF LEASE DEFAULT AND REMEDIES

Section 15.1 Events of Lease Default Defined. Any one of the following shall be an Event of Lease Default under this Lease:

(a) failure by the City to pay any Series 2020A Base Rentals, Series 2020B Base Rentals or Additional Rentals, which have been specifically appropriated by the City for such purpose, during the Initial Term or any Renewal Term, within ten (10) Business Days after the date on which they are due; or

(b) subject to the provisions of Section 7.5 hereof, failure by the City to vacate or surrender possession of the Leased Property by March 1 of any Renewal Term in respect of which an Event of Nonappropriation has occurred; or

(c) failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in (a) or (b), for a period of 30 days after receipt of written notice, specifying such failure and requesting that it be remedied shall be received by the City from the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided that if the failure stated in the notice cannot be corrected within the applicable period, the Trustee shall not withhold its consent to an extension of such time if corrective action can be instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(d) failure by the City to comply with the terms of the Site Lease.

The foregoing provisions of this Section 15.1 are subject to the following limitations:

(i) the City shall be obligated to pay the Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals, which have been specifically appropriated by the City for such purpose, only during the then current Lease Term, except as otherwise expressly provided in this Lease; and

(ii) if, by reason of Force Majeure, the City or the Trustee shall be unable in whole or in part to carry out any agreement on their respective parts herein contained other than the City’s agreement to pay the Base Rentals and Additional Rentals due hereunder, the City or the Trustee shall not be deemed in default during the continuance of such inability. The City and the Trustee each agree, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the City or the Trustee from carrying out their respective agreements; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City.

Section 15.2 Remedies on Default. Whenever any Event of Lease Default shall have happened and be continuing beyond any applicable cure period, the Trustee may (subject to its rights and protections under the terms of the Indenture), or shall at the request of the owners of a majority in aggregate principal amount of the Certificates then Outstanding and upon
indemnification as to costs and expenses as provided in the Indenture, without any further demand or notice, take one or any combination of the following remedial steps:

(a) terminate the Lease Term and give notice to the City to vacate and surrender possession of the Leased Property, which vacation and surrender the City agrees to complete within sixty (60) days from the date of such notice; provided, in the event the City does not vacate and surrender possession on the termination date, the provisions of Section 7.5 hereof shall apply;

(b) lease or sublease the Leased Property or sell or assign the Trustee’s leasehold interest in the Leased Property;

(c) recover from the City:

(i) the portion of Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the City for such purpose, which would otherwise have been payable hereunder, during any period in which the City continues to occupy, use or possess the Leased Property; and

(ii) Series 2020A Base Rentals, Series 2020B Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the City for such purpose, which would otherwise have been payable by the City hereunder during the remainder, after the City vacates and surrenders possession of the Leased Property, of the Fiscal Year in which such Event of Lease Default occurs.

(d) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the Site Lease, this Lease and the Indenture.

Upon the occurrence of an Event of Nonappropriation, the Trustee shall be entitled to recover from the City the amounts set forth in Section 15.2(c)(i) hereof if the City continues to occupy the Leased Property after December 31 of the Fiscal Year in which such Event of Nonappropriation occurs.

The Trustee shall also be entitled, upon any Event of Lease Default, to any moneys in any funds or accounts created under the Indenture (except the Rebate Fund and any defeasance escrow accounts).

Notwithstanding the foregoing provisions or any other provisions in the Site Lease, this Lease or the Indenture, the Trustee shall not take any remedial action under the Site Lease, this Lease or the Indenture, including without limitation this Section 15.2, without the prior written consent and direction of the Initial Purchaser. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in the Indenture.

**Section 15.3 Limitations on Remedies.** The remedies in connection with an Event of Lease Default shall be limited as set forth in this Section. A judgment requiring a payment of money may be entered against the City by reason of an Event of Lease Default only as to the City’s liabilities described in paragraph (c) of Section 15.2 hereof. A judgment requiring a
payment of money may be entered against the City by reason of an Event of Nonappropriation only to the extent that the City fails to vacate and surrender possession of the Leased Property as required by Section 7.4 of this Lease, respectively, and only as to the liabilities described in paragraph (c)(i) of Section 15.2 hereof. The remedy described in paragraph (c)(ii) of Section 15.2 of this Lease is not available for an Event of Lease Default consisting of failure by the City to vacate and surrender possession of the Leased Property by March 1 following an Event of Nonappropriation.

Section 15.4 No Remedy Exclusive. Subject to Section 15.3 hereof, no remedy herein conferred upon or reserved to the Trustee, is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved in this Article 15, it shall not be necessary to give any notice, other than such notice as may be required in this Article 15.

Section 15.5 Waivers. With the consent of the Initial Purchaser, the Trustee may waive any Event of Lease Default under this Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. Payment of Series 2020A Base Rentals, Series 2020B Base Rentals or Additional Rentals by the City shall not constitute a waiver of any breach or default by the Trustee hereunder.

Section 15.6 Agreement to Pay Attorneys’ Fees and Expenses. In the event that either party hereto shall default under any of the provisions hereof and the non-defaulting party shall employ attorneys or incur other expenses for the collection of Series 2020A Base Rentals, Series 2020B Base Rentals or Additional Rentals, or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it shall on demand therefor pay to the non-defaulting party, to the extent permitted by law, the reasonable fees of such attorneys and such other reasonable expenses so incurred by the non-defaulting party. Notwithstanding the foregoing, any such fees and expenses owed by the City heretofore shall constitute Additional Rentals for all purposes of this Lease and shall be subject to Appropriation.

Section 15.7 Waiver of Appraisement, Valuation, Stay, Extension and Redemption Laws. To the extent permitted by law, in the case of an Event of Nonappropriation or an Event of Lease Default neither the Trustee nor the City nor any one claiming through or under either of them shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of the Indenture; and the Trustee and the City, for themselves and all who may at any time claim through or under either of them, each hereby waives, to the full extent that it may lawfully do so, the benefit of all such laws. Notwithstanding the foregoing, it is expressly understood that the City cannot and does not
hereby waive its right to set up, claim or seek to take advantage of its police powers or its Colorado constitutional or statutory right of eminent domain.
ARTICLE 16
MISCELLANEOUS

Section 16.1 Sovereign Powers of City. Nothing in this Lease shall be construed as diminishing, delegating, or otherwise restricting any of the sovereign powers or immunities of the City. Nothing in this Lease shall be construed to require the City to occupy and operate the Leased Property other than as lessee, or to require the City to exercise its right to purchase the Leased Property as provided in Article 13 hereof.

Section 16.2 Information to the Initial Purchaser. So long as the Initial Purchaser is the sole owner of the Certificates, the City agrees that it shall provide the Initial Purchaser with the information and written notices set forth below. Such information may be provided in electronic format.

(a) The City’s annual audited financial statements within 270 days of the end of the City’s fiscal year;
(b) The City’s annual approved operating budget within 30 days of the end of the City’s fiscal year;
(c) Such additional financial information that the Initial Purchaser may from time to time reasonably request; and
(d) Written notice relating to:
   (i) the occurrence and continuation of any material default on any outstanding financial obligations of the City;
   (ii) any litigation relating to the Leased Property or this Lease or any other litigation which, if adversely determined, would, in the aggregate or in any case, materially adversely affect the property, assets, financial condition or business of the City or materially impair the right or ability of the City to carry on its operations substantially as now conducted or anticipated to be conducted in the future;
   (iii) any material governmental proceedings relating to the Site Lease, or the Lease; and
   (iv) the occurrence of any other event that materially adversely affects the property, assets, financial condition or business of the City or materially impairs the right or ability of the City to carry on its operations substantially as now conducted or anticipated to be conducted in the future.

Section 16.3 Notices. All notices, certificates or other communications to be given hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, addressed as follows:

if to the Trustee,  U.S. Bank National Association
950 17th Street, Suite 300

4444
The City, the Trustee and the Initial Purchaser may, by written notice, designate any further or different means of communication or addresses to which subsequent notices, certificates or other communications shall be sent.

Notices to be given to the Owners of the Certificates, if other than the Initial Purchaser, shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, addressed to the addresses show in the registration books maintained by the Trustee.

Section 16.4 Third Party Beneficiaries. It is expressly understood and agreed that the Initial Purchaser and the Owners of the outstanding Certificates are third party beneficiaries to this Lease and enforcement of the terms and conditions of this Lease, and all rights of action relating to such enforcement, shall be strictly reserved to the City, as lessee and the Trustee, as lessor, and their respective successors and assigns, and to the Initial Purchaser and the Owners of the Certificates. Except as hereinafter provided, nothing contained in this Lease shall give or allow any such claim or right of action by any other or third person on this Lease. It is the express intention of the City and the Trustee that any person other than the City, the Trustee, the Initial Purchaser or the Owners of the Certificates receiving services or benefits under this Lease shall be deemed to be an incidental beneficiary only.

Section 16.5 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Trustee and the City and their respective successors and assigns, subject, however, to the limitations contained in Article 14 of this Lease.

Section 16.6 Amendments. This Lease may only be amended, changed, modified or altered with the prior written consent of the City and the Trustee and in accordance with the provisions of the Indenture. So long as the Initial Purchaser is the registered Owner of all outstanding Certificates, this Lease may not be materially amended, changed, modified or altered without the prior written consent of the Initial Purchaser, which consent shall not be unreasonably withheld.

Section 16.7 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Series 2020A Base Rentals Fund, the Series 2020A Costs of Execution
and Delivery Fund, the Series 2020B Base Rental Fund, the Series 2020B Costs of Execution and Delivery Fund, or any other fund or account created under the Indenture (except the Rebate Fund and any defeasance escrow account), upon termination of the Lease Term, and after payment in full of the Certificates (or provision for payment thereof having been made in accordance with the provisions of this Lease and the Indenture) and fees and expenses of the Trustee in accordance with this Lease and the Indenture, shall belong to and be paid to the City by the Trustee, as an overpayment of Base Rentals.

Section 16.8 Triple Net Lease. This Lease shall be deemed and construed to be a “triple net lease” and, subject to the prior Appropriation requirements hereof, the City shall pay absolutely net during the Lease Term, the Base Rentals, the Additional Rentals and all expenses of, or other payments in respect of, the Leased Property as required to be paid by the City under this Lease, for which a specific Appropriation has been effected by the City for such purpose, free of any deductions, and without abatement, deduction or setoff (other than credits against Base Rentals expressly provided for in this Lease).

Section 16.9 Computation of Time. In computing a period of days, the first day is excluded and the last day is included. If the last day of any period is not a Business Day, the period is extended to include the next day which is a Business Day. If a number of months is to be computed by counting the months from a particular day, the period ends on the same numerical day in the concluding month as the day of the month from which the computation is begun, unless there are not that many days in the concluding month, in which case the period ends on the last day of that month. Notwithstanding the foregoing, Base Rentals shall be recalculated in the event of any prepayment of Series 2020A Base Rentals or Series 2020B Base Rentals as provided in Section 7.2(b) hereof.

Section 16.10 Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, shall be a day other than a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Lease.

Section 16.11 Severability. Except for the requirement of the City to pay Base Rentals for which a specific Appropriation has been effected by the City for such purpose and the requirement of the Trustee to provide quiet enjoyment of the Leased Property and to convey the Trustee’s leasehold interest in the Leased Property to the City under the conditions set forth in Article 13 of this Lease (which, if held invalid or unenforceable by any court of competent jurisdiction, may have the effect of invalidating or rendering unenforceable the other provisions of this Lease), in the event that any other provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 16.12 Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
Section 16.13 Applicable Law. This Lease shall be governed by and construed in accordance with the law of the State of Colorado.

Section 16.14 The Trustee Is Independent of the City. Neither the Trustee nor any agent or employee of the Trustee shall be or shall be deemed to be an agent or employee of the City. The Trustee acknowledges that the Trustee and its employees are not entitled to unemployment insurance benefits of the City unless the Trustee or a third party otherwise provides such coverage and that the City does not pay for or otherwise provide such coverage. The Trustee shall have no authorization, express or implied, to bind the City to any agreements, liability or understanding except as expressly set forth herein.

Section 16.15 Governmental Immunity. Notwithstanding any other provisions of this Lease to the contrary, no term or condition of this Lease shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions of the Colorado Governmental Immunity Act, Section 24-10-101, et. seq., C.R.S., as now or hereafter amended.

Section 16.16 Recitals. The Recitals set forth in this Lease are hereby incorporated by this reference and made a part of this Lease.

Section 16.17 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Lease.

Section 16.18 Trustee’s Disclaimer. It is expressly understood and agreed that (a) the Lease is executed by U.S. Bank National Association solely in its capacity as Trustee under the Indenture, and (b) nothing herein shall be construed as creating any liability on U.S. Bank National Association other than in its capacity as Trustee under the Indenture. All financial obligations of the Trustee under this Lease, except those resulting from its willful misconduct or negligence, are limited to the Series 2020A Trust Estate and Series 2020B Trust Estate.

Section 16.19 Electronic Transactions. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 16.20 Doctrine of Merger. The Doctrine of Merger shall not apply.
IN WITNESS WHEREOF, the parties have executed this Lease Purchase Agreement as of the day and year first above written.

THE CITY OF LAKEWOOD, COLORADO, as Lessee

By: __________________________
   Mayor
   Title: ________________________

U.S. BANK NATIONAL ASSOCIATION, solely in its capacity as Trustee under the Indenture, as Lessor

By: __________________________
   Title: ________________________

[CITY SEAL]

CITY OF LAKEWOOD

Kathleen E. Hodgson, City Manager

ATTEST:

Michele Millard, City Clerk

Attestation Date __________________________

Approved as to form: 

City Clerk

Recommended and approved as to content:

[Name, Title]

Department of 

4848

Active 52017889.3
The foregoing instrument was acknowledged before me this ____ day of September, 2020, by Adam Paul Kathleen E. Hodgson and Michele Millard, as Mayor City Manager and City Clerk, respectively, of the City of Lakewood, Colorado, a Colorado municipal corporation.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:

STATE OF COLORADO )
COUNTY OF JEFFERSON ) ss.

The foregoing instrument was acknowledged before me this ____ day of September, 2020, by ______________, as an authorized officer of U.S. Bank National Association, as Trustee.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:

STATE OF COLORADO )
CITY AND COUNTY OF DENVER ) ss.

4949

Active:52017889.3
EXHIBIT A

DESCRIPTION OF LEASED PROPERTY

A- 1
EXISTING PERMITTED ENCUMBRANCES

The easements, covenants, restrictions, liens and encumbrances to which title to the Leased Property was subject when leased to the Trustee pursuant to the Site Lease, and which the City Representative has certified do not and will not interfere in any material way with the intended use of the Leased Property are as follows:
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<td>$[4,555,000]</td>
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Base Rental payments are on [December 1, 2020], and thereafter on each June 1, commencing June 1, 2021, during the Lease Term. The Base Rentals have been calculated on the basis of a 360-day year of twelve 30-day months. If Base Rentals are stated to be due on any date that is not a Business Day, such Base Rentals shall be due on the next day that is a Business Day without the accrual of interest on Base Rentals between such dates. The duration of the Lease, throughout the maximum Lease Term, does not
exceed the weighted average useful life of the Leased Property.
EXHIBIT D

FORM OF NOTICE OF LEASE RENEWAL

To: U.S. Bank National Association, as Trustee
Attention: Corporate Trust Department

The undersigned is the City Representative of the City of Lakewood, Colorado (the “City”). The City is the lessee under that certain Lease Purchase Agreement, dated as of September 1, 2020 (the “Lease”), between the City and U.S. Bank National Association, solely in its capacity of Trustee under the Indenture, as the lessor thereunder. I am familiar with the facts herein certified and am authorized and qualified to certify the same. The undersigned hereby states and certifies:

(a) the City has effected or intends to effect on a timely basis an Appropriation for the ensuing Fiscal Year which includes (1) sufficient amounts authorized and directed to be used to pay all the Base Rentals and (2) sufficient amounts to pay such Additional Rentals as are estimated to become due, all as further provided in Sections 7.2, 7.3 and 7.4 of the Lease, whereupon, the Lease shall be renewed for the ensuing Fiscal Year;

or

(b) the City has determined not to renew the Lease for the ensuing Fiscal Year.

CITY OF LAKEWOOD, COLORADO

By: ________________________________
     City Representative

Date: ________________________________
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AFTER RECORDATION PLEASE RETURN TO:

Sherman & Howard L.L.C.
633 Seventeenth Street, Suite 3000
Denver, Colorado 80202
Attention: Peter J. Whitmore, Esq.

Pursuant to Section 39-13-104(1)(j), Colorado Revised Statutes, this Site and Improvement Lease Agreement is exempt from the documentary fee.

SITE LEASE AGREEMENT

DATED AS OF SEPTEMBER 1, 2020

BETWEEN

CITY OF LAKEWOOD,
  as Lessor

AND

U.S. BANK NATIONAL ASSOCIATION,
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE INDENTURE,
as lessee
This SITE LEASE AGREEMENT dated as of September 1, 2020 (this “Site Lease”), is by and between CITY OF LAKEWOOD, COLORADO, a home rule municipal corporation and political subdivision of the State of Colorado (the “City”), as lessor, and U.S. BANK NATIONAL ASSOCIATION, Denver, Colorado, a national banking association duly organized and validly existing under the laws of the United States of America, solely in its capacity as trustee under the Indenture (the “Trustee”), as lessee.

PREFACE

Unless the context otherwise requires, capitalized terms used herein shall have the meanings ascribed to them herein and in the Lease Purchase Agreement, dated as of September 1, 2020 (the “Lease”), between the Trustee, as lessor, and the City, as lessee.

RECITALS

1. The City is a duly organized and existing under and by virtue of the Constitution and laws of the State of Colorado and the home rule charter of the City (the “Charter”).

2. Pursuant to Section 11.6 of the Charter, the City is authorized to enter into one or more rental or leasehold agreements for any municipal purpose.

3. Pursuant to Section 14.3 of the Charter, the City is authorized to sell and dispose of public buildings and real and personal property.

4. On February 27, 2006, the Lakewood Public Building Authority issued its Refunding Certificates of Participation, Series 2006A (the “Series 2006A Certificates”), evidencing rights to receive certain revenues to be received from the lessee pursuant to that certain Lease Purchase and Sublease Agreement dated as of August 1, 2000, as amended by the First Amendment to Lease Purchase and Sublease Agreement dated as of April 1, 2004, and as amended by the Second Amendment to Lease Purchase and Sublease Agreement dated as of February 1, 2006.

5. The City Council of the City has determined and hereby determines that it is in the best interest of the City and its inhabitants to (a) refinance the portion of the City’s obligations under the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund (the “Series 2020A Refunding Project”); and (b) finance the design, construction, installation, acquisition, renovation, replacement, maintenance and repair of irrigation system improvements, and related appurtenances, at the Fox Hollow Golf Course (the “Series 2020B Irrigation Project”).

6. To finance the Series 2020A Refunding Project and the Series 2020B Irrigation Project, (a) the City will lease certain real property further described in Exhibit A attached hereto (the “Leased Property”) by entering into this Site Lease, and (b) the Trustee will lease the Leased Property back to the City pursuant to the Lease Purchase Agreement between the City and the Trustee (the “Lease”). The City will retain fee title to the Leased Property and the Trustee will have a leasehold interest in the Leased Property, subject to the Lease.
7. The Trustee and the City intend that this Site Lease set forth their entire understanding and agreement regarding the terms and conditions upon which the Trustee is leasing the Leased Property from the City.

8. Contemporaneously with the execution and delivery of this Site Lease and the Lease, the Trustee will execute and deliver an Indenture of Trust (the “Indenture”) pursuant to which there is expected to be executed and delivered certain certificates of participation (the “Series 2020A Taxable Certificates” and “Series 2020B Certificates”) dated as of their date of delivery that shall evidence proportionate interests in the right to receive certain Series 2020A Revenues and Series 2020B Revenues, respectively, which shall be payable solely from the sources therein provided, and shall not directly or indirectly obligate the City to make any payments beyond those appropriated for any fiscal year during which the Lease shall be in effect.

9. The net proceeds of the Series 2020A Taxable Certificates will be used, together with other available monies, to finance the Series 2020A Project and pay the costs of issuance of the Series 2020A Taxable Certificates.

10. The net proceeds of the Series 2020B Certificates will be used, together with other available monies, to finance the Series 2020B Project and pay the costs of issuance of the Series 2020B Certificates.

11. The City proposes to enter into this Site Lease with the Trustee as material consideration for the Trustee’s agreement to lease the Leased Property to the City pursuant to the Lease. The Trustee shall prepay in full its rental payments due under this Site Lease which rental payments shall be used by the City to finance the Series 2020A Project and Series 2020B Project, all pursuant to this Site Lease, the Lease and the Indenture.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows;

Section 1. Site Lease and Terms. The City hereby demises and leases to the Trustee and the Trustee hereby leases from the City, on the terms and conditions hereinafter set forth, the Leased Property (as more fully described on Exhibit A attached hereto), subject to Permitted Encumbrances as described in Exhibit B hereto.

The term of this Site Lease shall commence on the date hereof and shall end on December 31, 2049 (the “Site Lease Termination Date”), unless such term is sooner terminated as hereinafter provided. If, prior to the Site Lease Termination Date, the Trustee has transferred and conveyed the Trustee’s leasehold interest in all of the Leased Property pursuant to Article 12 of the Lease as a result of the City’s payment of (a) the applicable Purchase Option Price thereunder, or (b) all Base Rentals and Additional Rentals, all as further provided in Section 13.2 of the Lease, then the term of this Site Lease shall end in connection with such transfer and conveyance.

The term of any sublease of the Leased Property or any portion thereof, or any assignment of the Trustee’s interest in this Site Lease, pursuant to Section 5 hereof, the Lease and the Indenture, shall not extend beyond December 31, 2049. At the end of the term of this Site Lease, all right, title and interest of the Trustee, or any sublessee or assignee, in and to the Leased Property, shall terminate. Upon such termination, the Trustee and any sublessee or assignee shall
execute and deliver to the City any necessary documents releasing, assigning, transferring and conveying the Trustee’s, sublessee’s or assignee’s respective interests in the Leased Property.

Section 2. Rental. The City acknowledges that the following amount of $[5,855,000] constitutes full and adequate consideration for conveyance of the leasehold interest in the Leased Property conveyed to the Trustee pursuant to this Site Lease: (1) $[1,300,000] shall be deposited into the Escrow Account in accordance with the Escrow Agreement and Indenture in order to effectuate the Series 2020A Refunding Project, less any amounts deposited to the Series 2020A Costs of Execution and Delivery Fund to pay the Costs of Execution and Delivery in accordance with the Indenture; and (2) $[4,555,000] shall be deposited with or at the direction of the City and be used to finance the Series 2020B Irrigation Project, less any amounts deposited to the Series 2020B Costs of Execution and Delivery Fund to pay the Costs of Execution and Delivery in accordance with the Indenture.

Section 3. Purpose. The Trustee shall use the Leased Property solely for the purpose of leasing the Leased Property back to the City pursuant to the Lease and for such purposes as may be incidental thereto; provided, that upon the occurrence of an Event of Non-appropriation or an Event of Lease Default and the termination of the Lease, the City shall vacate the Leased Property, as provided in the Lease, and the Trustee may exercise the remedies provided in this Site Lease, the Lease and the Indenture.

Section 4. Owner in Fee. The City represents that: (a) it is the owner in fee of the Leased Property, subject only to Permitted Encumbrances as described in Exhibit B hereto; and (b) the Permitted Encumbrances do not and shall not interfere in any material way with the Leased Property.

Section 5. Sales, Assignments and Subleases. Unless an Event of Non-appropriation or an Event of Lease Default shall have occurred and be continuing, and except as may otherwise be provided in the Lease, the Trustee may not sell or assign its rights and interests under this Site Lease or sublet all or any portion of the Leased Property, without the prior written consent of the City.

In the event that (a) the Lease is terminated for any reason and (b) this Site Lease is not terminated, the Trustee may sublease the Leased Property or any portion thereof, or sell or assign the Trustee’s leasehold interests in this Site Lease, pursuant to the terms of the Lease and the Indenture, and any purchasers from or sublessees or assignees of the Trustee may sell or assign its respective interests in the Leased Property, subject to the terms of this Site Lease, the Lease and the Indenture. The City and the Trustee (or any purchasers from or assignees or sublessees of the Trustee) agree that, except as permitted by this Site Lease, the Lease and the Indenture and except for Permitted Encumbrances (including purchase options under the Lease), neither the City, the Trustee, nor any purchasers from or sublessees or assignees of the Trustee will sell, mortgage or encumber the Leased Property or any portion thereof during the term of this Site Lease.

Notwithstanding anything herein to the contrary, no sublease of the Leased Property shall extend beyond the date this Site Lease would otherwise terminate pursuant to Section 1 hereof, without the prior written consent of the City.
The Trustee and any other person who has the right to use the Leased Property under this Site Lease, at its own expense, may install machinery, equipment and other tangible property in or on any portion of the Leased Property. All such machinery, equipment and other tangible property shall remain the sole property of the Trustee or such other person; provided, however, that title to any such machinery, equipment and other tangible property shall become part of the Leased Property and be included under the terms of this Site Lease to the extent that: (a) any such machinery, equipment or other tangible property is permanently affixed to the Leased Property; or (b) the removal of such machinery, equipment or other tangible property would damage or impair the Leased Property.

Section 6. Right of Entry. The City reserves the right, so long as no Event of Non-appropriation or Event of Lease Default shall have occurred and is continuing, for any of its duly authorized representatives to enter upon the Leased Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 7. Termination. The Trustee agrees, upon the termination of this Site Lease, to quit and surrender all of the Leased Property, and agrees that any permanent improvements and structures existing upon the Leased Property at the time of the termination of this Site Lease shall remain thereon.

Section 8. Default. In the event the Trustee shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Trustee, the City may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof and that so long as any Series 2020A Taxable Certificates or Series 2020B Certificates are Outstanding and unpaid under the Indenture, the Base Rentals due under the Lease shall continue to be paid to the Trustee except as otherwise provided in the Lease. In addition, so long as any of the Series 2020A Taxable Certificates or Series 2020B Certificates are Outstanding, this Site Lease shall not be terminated except as described in Section 1 hereof.

Section 9. Quiet Enjoyment and Acknowledgment of Ownership. The Trustee at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy the Leased Property, subject to the provisions of this Site Lease, the Lease and the Indenture.

Section 10. Trustee’s Disclaimer. It is expressly understood and agreed that: (a) this Site Lease is executed by U.S. Bank National Association, solely in its capacity as Trustee under the Indenture; and (b) nothing herein shall be construed as creating any liability on U.S. Bank National Association other than in its capacity as Trustee under the Indenture. All financial obligations of the Trustee under this Site Lease, except those resulting from its willful misconduct or negligence, are limited to the Series 2020A Trust Estate and Series 2020B Trust Estate.

Section 11. Taxes; Maintenance; Insurance. During the Lease Term of the Lease and in accordance with the provisions of the Lease, including Sections 10.1 and 10.3 thereof, the City covenants and agrees to pay any and all taxes, assessments or governmental charges due in respect of the Leased Property and all maintenance costs and utility charges in connection with the Leased Property. In the event that: (a) the Lease is terminated for any reason; (b) this Site Lease is not
terminated; and (c) the Trustee subleases all or any portion of the Leased Property or sells or assigns its interests in this Site Lease, then the Trustee, or any purchaser, sublessee or assignee of the Leased Property (including the leasehold interests of the Trustee resulting from this Site Lease) shall pay or cause to be paid when due, all such taxes, assessments or governmental charges and maintain the Leased Property in good condition and working order. Any such payments that are to be made by the Trustee shall be made solely from: (a) the proceeds of such sale, subleasing or assignment; (b) from the Series 2020A Trust Estate or Series 2020B Trust Estate; or (c) from other moneys furnished to the Trustee under Section 10.02(m) of the Indenture, and in the absence of available moneys identified in the preceding clauses (a) through (c), the Trustee shall be under no obligation to pay or cause to be paid when due, all such taxes, assessments or governmental charges and maintain the Leased Property in good condition and working order.

The provisions of the Lease shall govern with respect to the maintenance of insurance hereunder during the Lease Term of the Lease. In the event that: (a) the Lease is terminated for any reason; (b) this Site Lease is not terminated; and (c) the Trustee subleases all or any portion of the Leased Property or sells or assigns its interest in this Site Lease, then the Trustee, or any sublessee, purchaser or assignee of the Leased Property shall obtain and keep in force: (i) commercial general liability insurance against claims for personal injury, death or damage to property of others occurring on or in the Leased Property in an amount not less than $1,000,000 per occurrence, $2,000,000 aggregate; and (ii) property insurance in an amount not less than the full replacement value of the Leased Property. Any such insurance that is to be obtained by the Trustee shall be paid for solely from: (a) the proceeds of such subleasing, sale or assignment; (b) from the Series 2020A Trust Estate or Series 2020B Trust Estate; or (c) from moneys furnished to the Trustee under Section 10.02(m) of the Indenture, and in the absence of available moneys identified in the preceding clauses (a) through (c), the Trustee shall be under no obligation to obtain or keep in force such insurance coverages. All such insurance shall name the Trustee, any sublessee, purchaser or assignee and the City as insured and the Trustee as loss payee. The City and the Trustee shall waive any rights of subrogation with respect to the Trustee, any sublessee, purchaser or assignee, and the City, and their members, directors, officers, agents and employees, while acting within the scope of their employment and each such insurance policy shall contain such a waiver of subrogation by the issuer of such policy.

Nothing in the preceding paragraphs or in this Site Lease shall be interpreted or construed to require the Trustee to sublease all or any portion of the Leased Property or sell or assign its interests in this Site Lease, in the event that the Lease is terminated for any reason and this Site Lease is not terminated.

Section 12. Damage, Destruction or Condemnation. The provisions of the Lease shall govern with respect to any damage, destruction or condemnation of the Leased Property during the Lease Term of the Lease. In the event that (a) the Lease is terminated for any reason and (b) this Site Lease is not terminated, and either (i) the Leased Property or any portion thereof is damaged or destroyed, in whole or in part, by fire or other casualty, or (ii) title to or use of the Leased Property or any part thereof shall be taken under the exercise of the power of eminent domain, then the City and the Trustee, or any sublessee, purchaser or assignee of the Leased Property from the Trustee shall cause the Net Proceeds of any insurance claim or condemnation award to be applied in accordance with the provisions of Article 11 of the Lease.
Section 13. Hazardous Substances. Except for customary materials necessary for operation, cleaning and maintenance of the Leased Property, none of the City, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee shall cause or permit any Hazardous Substance to be brought upon, generated at, stored or kept or used in or about the Leased Property without prior written notice to the City and the Trustee and all Hazardous Substances, including customary materials necessary for construction, operation, cleaning and maintenance of the Leased Property, will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Substance so brought upon or used or kept on or about the Leased Property, provided unless the Trustee has exercised its right to take possession of the Leased Property after the occurrence and continuance of an Event of Lease Default, the Trustee shall have no responsibility under this Section to monitor or investigate whether the Lease Property complies with environmental laws or is subject to any Hazardous Substance. If the presence of Hazardous Substance on the Leased Property caused or permitted by the City, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, results in contamination of the Leased Property, or if contamination of the Leased Property by Hazardous Substance otherwise occurs for which the City, the Trustee or any sublessee or assignee of the Leased Property, as the case may be, is legally liable for damage resulting therefrom, then the City, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, shall reimburse the other party for its reasonable and necessary legal expenses to defend the parties hereto or assignees hereof that have not caused or permitted such contamination and are not so legally liable with respect to this Site Lease from claims for damages, penalties, fines, costs, liabilities or losses; provided that the cost of such defense: (a) in the case of the Trustee, shall be payable only if the Trustee has exercised its right to take possession of the Leased Property and shall be payable solely from the Series 2020A Trust Estate or Series 2020B Trust Estate; or (b) in the case of the City, shall be payable only to the extent permitted by law and only if the cost of such defense has been annually appropriated by the City. This duty to reimburse legal expenses is not an indemnification. It is expressly understood that none of the City, the Trustee or any sublessee, purchaser or assignee is indemnifying any other person with respect to this Site Lease. Without limiting the foregoing, if the presence of any Hazardous Substance on the Leased Property is caused or permitted by:

(a) the Trustee after the Trustee has exercised its right to take possession of the Leased Property after the occurrence and continuance of an Event of Lease Default, or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, results in any contamination of the Leased Property, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, shall provide prior written notice to the City and the Trustee and promptly take all actions, solely at the expense of the Series 2020A Trust Estate and Series 2020B Trust Estate as are necessary to effect remediation of the contamination in accordance with legal requirements; or

(b) the City, results in any contamination of the Leased Property, the City shall provide prior written notice to the Trustee and promptly take all actions, solely at the expense of the City, which expenses shall constitute Additional Rentals, as are necessary to effect remediation of the contamination in accordance with legal requirements.
Section 14. Third Party Beneficiaries. It is expressly understood and agreed that the Owners of the outstanding Series 2020A Taxable Certificates and Series 2020B Certificates are third party beneficiaries to this Site Lease and enforcement of the terms and conditions of this Site Lease, and all rights of action relating to such enforcement, shall be strictly reserved to the City, as Lessor, and the Trustee, as Lessee, and their respective successors and assigns, and to the Owners of the Series 2020A Taxable Certificates and Series 2020B Certificates. Except as hereinafter provided, nothing contained in this Site Lease shall give or allow any such claim or right of action by any other or third person on this Site Lease. It is the express intention of the City and the Trustee that any person other than the City, the Trustee or the Owners of the Series 2020A Taxable Certificates and Series 2020B Certificates receiving services or benefits under this Site Lease shall be deemed to be an incidental beneficiary only.

Section 15. Amendments. This Site Lease may only be amended, changed, modified or altered with the prior written consent of the City and the Trustee and in accordance with the provisions of the Indenture. So long as FirstBank (the “Initial Purchaser”) is the registered Owner of all Outstanding Series 2020A Taxable Certificates and Series 2020B Certificates, this Site Lease may not be materially amended, changed, modified or altered without the prior written consent of the Initial Purchaser, which consent shall not be unreasonably withheld.

Section 16. Right of Initial Purchaser to Direct Remedies. Notwithstanding any provisions to the contrary contained herein, so long as the Initial Purchaser is the registered Owner of all Outstanding Series 2020A Taxable Certificates and Series 2020B Certificates, the Initial Purchaser shall have the right to direct all remedies taken by the Trustee hereunder. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in the Indenture.

Section 17. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 18. No Merger. The City and the Trustee intend that the legal doctrine of merger shall have no application to this Site Lease and that neither the execution and delivery of the Lease by the Trustee and the City nor the exercise of any remedies under this Site Lease or the Lease shall operate to terminate or extinguish this Site Lease or the Lease, except as specifically provided herein and therein.

Section 19. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed shall be made by United States registered mail, return receipt requested, postage prepaid, at the addresses indicated in the Lease, or to such other addresses as the respective parties may from time to time designate in writing, or in such other manner as authorized by the City or the Trustee, as the case may be.
Section 20. Recitals. The Recitals set forth in this Site Lease are hereby incorporated by this reference and made a part of this Site Lease.

Section 21. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

Section 22. Execution. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same Site Lease.

Section 23. Governing Law. This Site Lease shall be governed by and construed in accordance with the law of the State of Colorado without regard to choice of law analysis.

Section 24. No Waiver of Governmental Immunity. No provision of this Site Lease shall act or be deemed to be a waiver by the City of the Colorado Governmental Immunity Act, CRS 24-10-101, et seq.

Section 25. Electronic Transactions. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 26. Annual Appropriation. Consistent with Article X, §20 of the Colorado Constitution, any financial obligation of the City under this Site Lease shall be from year to year only, shall be subject to annual appropriation, shall extend only to monies currently appropriated, and shall not constitute a mandatory charge, requirement, debt or liability beyond the current fiscal year. To the extent that any of the City's obligations under this Site Lease are deemed to constitute a multiple fiscal-year financial obligation, the City’s performance will be conditioned upon annual appropriation by the City Council, in its sole discretion.
IN WITNESS WHEREOF, the City and the Trustee have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

U.S. BANK NATIONAL ASSOCIATION, solely in its capacity as Trustee under the Indenture, as Lessee

By: ____________________________
Title: Senior Vice President

CITY OF LAKEWOOD

____________________________________
Kathleen E. Hodgson, City Manager

ATTEST:

____________________________________
Michele Millard, City Clerk

____________________________________
Attestation Date

Approved as to form:

____________________________________
[Name, Title]

Recommended and approved as to content:

____________________________________
[Name, Title]

Department of ____________________________
The foregoing instrument was acknowledged before me this ____ day of September, 2020, by Kathleen E. Hodgson and Michele Millard, as City Manager and City Clerk, respectively, of the City of Lakewood, Colorado, a Colorado municipal corporation.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:

STATE OF COLORADO )
COUNTY OF JEFFERSON ) ss.

STATE OF COLORADO )
CITY AND COUNTY OF DENVER ) ss.

The foregoing instrument was acknowledged before me this ____ day of September, 2020, by ____________, as an authorized officer of U.S. Bank National Association, as Trustee.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:
EXHIBIT A

LEGAL DESCRIPTION OF THE LEASED PROPERTY
“Permitted Encumbrances” means, as of any particular time: (a) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pending contest pursuant to the provisions of the Lease; (b) this Site Lease, the Lease, the Indenture and any related fixture filing and any liens arising or granted pursuant to the Lease or the Indenture; (c) utility, access and other easements and rights of way, licenses, permits, party wall and other agreements, restrictions and exceptions which the City Representative certifies will not materially interfere with or materially impair the use or value of Leased Property, including rights or privileges in the nature of easements, licenses, permits and agreements as provided in the Lease; and (d) the easements, covenants, restrictions, liens and encumbrances to which title to the Leased Property was subject when leased to the Trustee pursuant to this Site Lease, as shown below, and which the City Representative has certified do not and will not interfere in any material way with the intended use of the Leased Property.

The easements, covenants, restrictions, liens and encumbrances to which title to the Leased Property was subject when leased to the Trustee pursuant to this Site Lease, and which the City Representative has certified do not and will not interfere in any material way with the intended use of the Leased Property, are as follows:
AFTER RECORDATION PLEASE RETURN TO:

Sherman & Howard L.L.C.
633 Seventeenth Street, Suite 3000
Denver, Colorado 80202
Attention: Peter J. Whitmore, Esq.

Pursuant to Section 39-13-104(1)(j), Colorado Revised Statutes, this Site and Improvement Lease Agreement is exempt from the documentary fee.

SITE LEASE AGREEMENT

DATED AS OF SEPTEMBER 1, 2020

BETWEEN

CITY OF LAKEWOOD,
as Lessor

AND

U.S. BANK NATIONAL ASSOCIATION,
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE INDENTURE,
as lessee
This SITE LEASE AGREEMENT dated as of September 1, 2020 (this “Site Lease”), is by and between CITY OF LAKEWOOD, COLORADO, a home rule municipal corporation and political subdivision of the State of Colorado (the “City”), as lessor, and U.S. BANK NATIONAL ASSOCIATION, Denver, Colorado, a national banking association duly organized and validly existing under the laws of the United States of America, solely in its capacity as trustee under the Indenture (the “Trustee”), as lessee.

PREFACE

Unless the context otherwise requires, capitalized terms used herein shall have the meanings ascribed to them herein and in the Lease Purchase Agreement, dated as of September 1, 2020 (the “Lease”), between the Trustee, as lessor, and the City, as lessee.

RECITALS

1. The City is a duly organized and existing under and by virtue of the Constitution and laws of the State of Colorado and the home rule charter of the City (the “Charter”).

2. Pursuant to Section 11.6 of the Charter, the City is authorized to enter into one or more rental or leasehold agreements for any municipal purpose.

3. Pursuant to Section 14.3 of the Charter, the City is authorized to sell and dispose of public buildings and real and personal property.

4. On February 27, 2006, the Lakewood Public Building Authority issued its Refunding Certificates of Participation, Series 2006A (the “Series 2006A Certificates”), evidencing rights to receive certain revenues to be received from the lessee pursuant to that certain Lease Purchase and Sublease Agreement dated as of August 1, 2000, as amended by the First Amendment to Lease Purchase and Sublease Agreement dated as of April 1, 2004, and as amended by the Second Amendment to Lease Purchase and Sublease Agreement dated as of February 1, 2006.

5. The City Council of the City has determined and hereby determines that it is in the best interest of the City and its inhabitants to (a) refinance the portion of the City’s obligations under the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund (the “Series 2020A Refunding Project”); and (b) finance the design, construction, installation, acquisition, renovation, replacement, maintenance and repair of irrigation system improvements, and related appurtenances, at the Fox Hollow Golf Course (the “Series 2020B Irrigation Project”).

6. To finance the Series 2020A Refunding Project and the Series 2020B Irrigation Project, (a) the City will lease certain real property further described in Exhibit A attached hereto (the “Leased Property”) by entering into this Site Lease, and (b) the Trustee will lease the Leased Property back to the City pursuant to the Lease Purchase Agreement between the City and the Trustee (the “Lease”). The City will retain fee title to the Leased Property and the Trustee will have a leasehold interest in the Leased Property, subject to the Lease.
7. The Trustee and the City intend that this Site Lease set forth their entire understanding and agreement regarding the terms and conditions upon which the Trustee is leasing the Leased Property from the City.

8. Contemporaneously with the execution and delivery of this Site Lease and the Lease, the Trustee will execute and deliver an Indenture of Trust (the “Indenture”) pursuant to which there is expected to be executed and delivered certain certificates of participation (the “Series 2020A Taxable Certificates” and “Series 2020B Certificates”) dated as of their date of delivery that shall evidence proportionate interests in the right to receive certain Series 2020A Revenues and Series 2020B Revenues, respectively, which shall be payable solely from the sources therein provided, and shall not directly or indirectly obligate the City to make any payments beyond those appropriated for any fiscal year during which the Lease shall be in effect.

9. The net proceeds of the Series 2020A Taxable Certificates will be used, together with other available monies, to finance the Series 2020A Project and pay the costs of issuance of the Series 2020A Taxable Certificates.

10. The net proceeds of the 2020B Certificates will be used, together with other available monies, to finance the Series 2020B Project and pay the costs of issuance of the Series 2020B Certificates.

11. The City proposes to enter into this Site Lease with the Trustee as material consideration for the Trustee’s agreement to lease the Leased Property to the City pursuant to the Lease. The Trustee shall prepay in full its rental payments due under this Site Lease which rental payments shall be used by the City to finance the Series 2020A Project and Series 2020B Project, all pursuant to this Site Lease, the Lease and the Indenture.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows;

Section 1. Site Lease and Terms. The City hereby demises and leases to the Trustee and the Trustee hereby leases from the City, on the terms and conditions hereinafter set forth, the Leased Property (as more fully described on Exhibit A attached hereto), subject to Permitted Encumbrances as described in Exhibit B hereto.

The term of this Site Lease shall commence on the date hereof and shall end on December 31, 2049 (the “Site Lease Termination Date”), unless such term is sooner terminated as hereinafter provided. If, prior to the Site Lease Termination Date, the Trustee has transferred and conveyed the Trustee’s leasehold interest in all of the Leased Property pursuant to Article 12 of the Lease as a result of the City’s payment of (a) the applicable Purchase Option Price thereunder, or (b) all Base Rentals and Additional Rentals, all as further provided in Section 13.2 of the Lease, then the term of this Site Lease shall end in connection with such transfer and conveyance.

The term of any sublease of the Leased Property or any portion thereof, or any assignment of the Trustee’s interest in this Site Lease, pursuant to Section 5 hereof, the Lease and the Indenture, shall not extend beyond December 31, 2049. At the end of the term of this
Site Lease, all right, title and interest of the Trustee, or any sublessee or assignee, in and to the Leased Property, shall terminate. Upon such termination, the Trustee and any sublessee or assignee shall execute and deliver to the City any necessary documents releasing, assigning, transferring and conveying the Trustee’s, sublessee’s or assignee’s respective interests in the Leased Property.

Section 2. Rental. The City acknowledges that the following amount of $[5,855,000] constitutes full and adequate consideration for conveyance of the leasehold interest in the Leased Property conveyed to the Trustee pursuant to this Site Lease: (1) $[1,300,000] shall be deposited into the Escrow Account in accordance with the Escrow Agreement and Indenture in order to effectuate the Series 2020A Refunding Project, less any amounts deposited to the Series 2020A Costs of Execution and Delivery Fund to pay the Costs of Execution and Delivery in accordance with the Indenture; and (2) $[4,555,000] shall be deposited with or at the direction of the City and be used to finance the Series 2020B Irrigation Project, less any amounts deposited to the Series 2020B Costs of Execution and Delivery Fund to pay the Costs of Execution and Delivery in accordance with the Indenture.

Section 3. Purpose. The Trustee shall use the Leased Property solely for the purpose of leasing the Leased Property back to the City pursuant to the Lease and for such purposes as may be incidental thereto; provided, that upon the occurrence of an Event of Nonappropriation or an Event of Lease Default and the termination of the Lease, the City shall vacate the Leased Property, as provided in the Lease, and the Trustee may exercise the remedies provided in this Site Lease, the Lease and the Indenture.

Section 4. Owner in Fee. The City represents that (a) it is the owner in fee of the Leased Property, subject only to Permitted Encumbrances as described in Exhibit B hereto; and (b) the Permitted Encumbrances do not and shall not interfere in any material way with the Leased Property.

Section 5. Sales, Assignments and Subleases. Unless an Event of Nonappropriation or an Event of Lease Default shall have occurred and be continuing, and except as may otherwise be provided in the Lease, the Trustee may not sell or assign its rights and interests under this Site Lease or sublet all or any portion of the Leased Property, without the prior written consent of the City.

In the event that (a) the Lease is terminated for any reason and (b) this Site Lease is not terminated, the Trustee may sublease the Leased Property or any portion thereof, or sell or assign the Trustee’s leasehold interests in this Site Lease, pursuant to the terms of the Lease and the Indenture, and any purchasers from or sublessees or assignees of the Trustee may sell or assign its respective interests in the Leased Property, subject to the terms of this Site Lease, the Lease and the Indenture. The City and the Trustee (or any purchasers from or assignees or sublessees of the Trustee) agree that, except as permitted by this Site Lease, the Lease and the Indenture except for Permitted Encumbrances (including purchase options under the Lease), neither the City, the Trustee, nor any purchasers from or sublessees or assignees of the Trustee will sell, mortgage or encumber the Leased Property or any portion thereof during the term of this Site Lease.
Notwithstanding anything herein to the contrary, no sublease of the Leased Property shall extend beyond the date this Site Lease would otherwise terminate pursuant to Section 1 hereof, without the prior written consent of the City.

The Trustee and any other person who has the right to use the Leased Property under this Site Lease, at its own expense, may install machinery, equipment and other tangible property in or on any portion of the Leased Property. All such machinery, equipment and other tangible property shall remain the sole property of the Trustee or such other person; provided, however, that title to any such machinery, equipment and other tangible property shall become part of the Leased Property and be included under the terms of this Site Lease to the extent that: (a) any such machinery, equipment or other tangible property is permanently affixed to the Leased Property; or (b) the removal of such machinery, equipment or other tangible property would damage or impair the Leased Property.

Section 6. Right of Entry. The City reserves the right, so long as no Event of Nonappropriation or Event of Lease Default shall have occurred and is continuing, for any of its duly authorized representatives to enter upon the Leased Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 7. Termination. The Trustee agrees, upon the termination of this Site Lease, to quit and surrender all of the Leased Property, and agrees that any permanent improvements and structures existing upon the Leased Property at the time of the termination of this Site Lease shall remain thereon.

Section 8. Default. In the event the Trustee shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Trustee, the City may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof and that so long as any Series 2020A Taxable Certificates or Series 2020B Certificates are Outstanding and unpaid under the Indenture, the Base Rentals due under the Lease shall continue to be paid to the Trustee except as otherwise provided in the Lease. In addition, so long as any of the Series 2020A Taxable Certificates or Series 2020B Certificates are Outstanding, this Site Lease shall not be terminated except as described in Section 1 hereof.

Section 9. Quiet Enjoyment and Acknowledgment of Ownership. The Trustee at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy the Leased Property, subject to the provisions of this Site Lease, the Lease and the Indenture.

Section 10. Trustee’s Disclaimer. It is expressly understood and agreed that: (a) this Site Lease is executed by U.S. Bank National Association, solely in its capacity as Trustee under the Indenture; and (b) nothing herein shall be construed as creating any liability on U.S. Bank National Association other than in its capacity as Trustee under the Indenture. All financial obligations of the Trustee under this Site Lease, except those resulting from its willful misconduct or negligence, are limited to the Series 2020A Trust Estate and Series 2020B Trust Estate.
Section 11. Taxes; Maintenance; Insurance. During the Lease Term of the Lease and in accordance with the provisions of the Lease, including Sections 10.1 and 10.3 thereof, the City covenants and agrees to pay any and all taxes, assessments or governmental charges due in respect of the Leased Property and all maintenance costs and utility charges in connection with the Leased Property. In the event that: (a) the Lease is terminated for any reason; (b) this Site Lease is not terminated; and (c) the Trustee subleases all or any portion of the Leased Property or sells or assigns its interests in this Site Lease, then the Trustee, or any purchaser, sublessee or assignee of the Leased Property (including the leasehold interests of the Trustee resulting from this Site Lease) shall pay or cause to be paid when due, all such taxes, assessments or governmental charges and maintain the Leased Property in good condition and working order.

Any such payments that are to be made by the Trustee shall be made solely from: (a) the proceeds of such sale, subleasing or assignment; (b) from the Series 2020A Trust Estate or Series 2020B Trust Estate; or (c) from other moneys furnished to the Trustee under Section 10.02(m) of the Indenture, and in the absence of available moneys identified in the preceding clauses (a) through (c), the Trustee shall be under no obligation to pay or cause to be paid when due, all such taxes, assessments or governmental charges and maintain the Leased Property in good condition and working order.

The provisions of the Lease shall govern with respect to the maintenance of insurance hereunder during the Lease Term of the Lease. In the event that: (a) the Lease is terminated for any reason; (b) this Site Lease is not terminated; and (c) the Trustee subleases all or any portion of the Leased Property or sells or assigns its interests in this Site Lease, the Trustee, or any sublessee, purchaser or assignee of the Leased Property shall obtain and keep in force: (i) commercial general liability insurance against claims for personal injury, death or damage to property of others occurring on or in the Leased Property in an amount not less than $1,000,000 per occurrence, $2,000,000 aggregate; and (ii) property insurance in an amount not less than the full replacement value of the Leased Property. Any such insurance that is to be obtained by the Trustee shall be paid for solely from: (a) the proceeds of such subleasing, sale or assignment; (b) from the Series 2020A Trust Estate or Series 2020B Trust Estate; or (c) from moneys furnished to the Trustee under Section 10.02(m) of the Indenture, and in the absence of available moneys identified in the preceding clauses (a) through (c), the Trustee shall be under no obligation to obtain or keep in force such insurance coverages. All such insurance shall name the Trustee, any sublessee, purchaser or assignee and the City as insured and the Trustee as loss payee. The City and the Trustee shall waive any rights of subrogation with respect to the Trustee, any sublessee, purchaser or assignee, and the City, and their members, directors, officers, agents and employees, while acting within the scope of their employment and each such insurance policy shall contain such a waiver of subrogation by the issuer of such policy.

Nothing in the preceding paragraphs or in this Site Lease shall be interpreted or construed to require the Trustee to sublease all or any portion of the Leased Property or sell or assign its interests in this Site Lease, in the event that the Lease is terminated for any reason and this Site Lease is not terminated.

Section 12. Damage, Destruction or Condemnation. The provisions of the Lease shall govern with respect to any damage, destruction or condemnation of the Leased Property during the Lease Term of the Lease. In the event that (a) the Lease is terminated for any reason and (b) this Site Lease is not terminated, and either (i) the Leased Property or any portion thereof
is damaged or destroyed, in whole or in part, by fire or other casualty, or (ii) title to or use of the
Leased Property or any part thereof shall be taken under the exercise of the power of eminent
domain, then the City and the Trustee, or any sublessee, purchaser or assignee of the Leased
Property from the Trustee shall cause the Net Proceeds of any insurance claim or condemnation
award to be applied in accordance with the provisions of Article 11 of the Lease.

Section 13. Hazardous Substances. Except for customary materials necessary for
operation, cleaning and maintenance of the Leased Property, none of the City, the Trustee or any
sublessee, purchaser or assignee of the Leased Property from the Trustee shall cause or permit
any Hazardous Substance to be brought upon, generated at, stored or kept or used in or about the
Leased Property without prior written notice to the City and the Trustee and all Hazardous
Substances, including customary materials necessary for construction, operation, cleaning and
maintenance of the Leased Property, will be used, kept and stored in a manner that complies with
all laws regulating any such Hazardous Substance so brought upon or used or kept on or about
the Leased Property, provided unless the Trustee has exercised its right to take possession of the
Leased Property after the occurrence and continuance of an Event of Lease Default, the Trustee
shall have no responsibility under this Section to monitor or investigate whether the Lease
Property complies with environmental laws or is subject to any Hazardous Substance. If the
presence of Hazardous Substance on the Leased Property caused or permitted by the City, the
Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the
case may be, results in contamination of the Leased Property, or if contamination of the Leased
Property by Hazardous Substance otherwise occurs for which the City, the Trustee or any
sublessee or assignee of the Leased Property, as the case may be, is legally liable for damage
resulting therefrom, then the City, the Trustee or any sublessee, purchaser or assignee of the
Leased Property from the Trustee, as the case may be, shall reimburse the other party for its
reasonable and necessary legal expenses to defend the parties hereto or assignees hereof that
have not caused or permitted such contamination and are not so legally liable with respect to this
Site Lease from claims for damages, penalties, fines, costs, liabilities or losses; provided that the
cost of such defense (a) in the case of the Trustee, shall be payable only if the Trustee has
exercised its right to take possession of the Leased Property and shall be payable solely from the
Series 2020A Trust Estate or Series 2020B Trust Estate, or (b) in the case of the City, shall be
payable only to the extent permitted by law and only if the cost of such defense has been
annually appropriated by the City. This duty to reimburse legal expenses is not an
indemnification. It is expressly understood that none of the City, the Trustee or any sublessee,
purchaser or assignee is indemnifying any other person with respect to this Site Lease. Without
limiting the foregoing, if the presence of any Hazardous Substance on the Leased Property is
caused or permitted by:

(a) the Trustee after the Trustee has exercised its right to take possession of the
Leased Property after the occurrence and continuance of an Event of Lease Default, or any
sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be,
results in any contamination of the Leased Property, the Trustee or any sublessee, purchaser or
assignee of the Leased Property from the Trustee, as the case may be, shall provide prior written
notice to the City and the Trustee and promptly take all actions, solely at the expense of the
Series 2020A Trust Estate and Series 2020B Trust Estate as are necessary to effect remediation
of the contamination in accordance with legal requirements; or
the City, results in any contamination of the Leased Property, the City shall provide prior written notice to the Trustee and promptly take all actions, solely at the expense of the City, which expenses shall constitute Additional Rentals, as are necessary to effect remediation of the contamination in accordance with legal requirements.

Section 14. Third Party Beneficiaries. It is expressly understood and agreed that the Owners of the outstanding Series 2020A Taxable Certificates and Series 2020B Certificates are third party beneficiaries to this Site Lease and enforcement of the terms and conditions of this Site Lease, and all rights of action relating to such enforcement, shall be strictly reserved to the City, as Lessor, and the Trustee, as Lessee, and their respective successors and assigns, and to the Owners of the Series 2020A Taxable Certificates and Series 2020B Certificates. Except as hereinafter provided, nothing contained in this Site Lease shall give or allow any such claim or right of action by any other or third person on this Site Lease. It is the express intention of the City and the Trustee that any person other than the City, the Trustee or the Owners of the Series 2020A Taxable Certificates and Series 2020B Certificates receiving services or benefits under this Site Lease shall be deemed to be an incidental beneficiary only.

Section 15. Amendments. This Site Lease may only be amended, changed, modified or altered with the prior written consent of the City and the Trustee and in accordance with the provisions of the Indenture. So long as FirstBank (the “Initial Purchaser”) is the registered Owner of all Outstanding Series 2020A Taxable Certificates and Series 2020B Certificates, this Site Lease may not be materially amended, changed, modified or altered without the prior written consent of the Initial Purchaser, which consent shall not be unreasonably withheld.

Section 16. Right of Initial Purchaser to Direct Remedies. Notwithstanding any provisions to the contrary contained herein, so long as the Initial Purchaser is the registered Owner of all Outstanding Series 2020A Taxable Certificates and Series 2020B Certificates, the Initial Purchaser shall have the right to direct all remedies taken by the Trustee hereunder. Before taking any such action as directed by the Initial Purchaser, the Trustee shall be entitled to the indemnification provided in the Indenture.

Section 17. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 18. No Merger. The City and the Trustee intend that the legal doctrine of merger shall have no application to this Site Lease and that neither the execution and delivery of the Lease by the Trustee and the City nor the exercise of any remedies under this Site Lease or the Lease shall operate to terminate or extinguish this Site Lease or the Lease, except as specifically provided herein and therein.

Section 19. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if
delivered personally or if mailed shall be made by United States registered mail, return receipt requested, postage prepaid, at the addresses indicated in the Lease, or to such other addresses as the respective parties may from time to time designate in writing, or in such other manner as authorized by the City or the Trustee, as the case may be.

Section 20. Recitals. The Recitals set forth in this Site Lease are hereby incorporated by this reference and made a part of this Site Lease.

Section 21. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

Section 22. Execution. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same Site Lease.

Section 23. Governing Law. This Site Lease shall be governed by and construed in accordance with the law of the State of Colorado without regard to choice of law analysis.

Section 24. No Waiver of Governmental Immunity. No provision of this Site Lease shall act or be deemed to be a waiver by the City of the Colorado Governmental Immunity Act, CRS 24-10-101, et seq.

Section 25. Electronic Transactions. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 26. Annual Appropriation. Consistent with Article X, §20 of the Colorado Constitution, any financial obligation of the City under this Site Lease shall be from year to year only, shall be subject to annual appropriation, shall extend only to monies currently appropriated, and shall not constitute a mandatory charge, requirement, debt or liability beyond the current fiscal year. To the extent that any of the City's obligations under this Site Lease are deemed to constitute a multiple fiscal-year financial obligation, the City’s performance will be conditioned upon annual appropriation by the City Council, in its sole discretion.
IN WITNESS WHEREOF, the City and the Trustee have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF LAKEWOOD, COLORADO, as Lessor

U.S. BANK NATIONAL ASSOCIATION., solely in its capacity as Trustee under the Indenture, as Lessee

By: [SEAL]

Kathleen E. Hodgson, City Manager

ATTEST:

Michele Millard, City Clerk

Approved as to form:

Recommended and approved as to content:
The foregoing instrument was acknowledged before me this ___ day of September, 2020, by Adam Paul Kathleen E. Hodgson and Michele Millard, as Mayor City Manager and City Clerk, respectively, of the City of Lakewood, Colorado, a Colorado municipal corporation.

WITNESS my hand and official seal.

(Seal)

Notary Public

My commission expires: ________________

The foregoing instrument was acknowledged before me this ___ day of September, 2020, by ____________, as an authorized officer of U.S. Bank National Association, as Trustee.

WITNESS my hand and official seal.

(Seal)

Notary Public

My commission expires: ________________
EXHIBIT A

LEGAL DESCRIPTION OF THE LEASED PROPERTY
“Permitted Encumbrances” means, as of any particular time: (a) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pending contest pursuant to the provisions of the Lease; (b) this Site Lease, the Lease, the Indenture and any related fixture filing and any liens arising or granted pursuant to the Lease or the Indenture; (c) utility, access and other easements and rights of way, licenses, permits, party wall and other agreements, restrictions and exceptions which the City Representative certifies will not materially interfere with or materially impair the use or value of Leased Property, including rights or privileges in the nature of easements, licenses, permits and agreements as provided in the Lease; and (d) the easements, covenants, restrictions, liens and encumbrances to which title to the Leased Property was subject when leased to the Trustee pursuant to this Site Lease, as shown below, and which the City Representative has certified do not and will not interfere in any material way with the intended use of the Leased Property.

The easements, covenants, restrictions, liens and encumbrances to which title to the Leased Property was subject when leased to the Trustee pursuant to this Site Lease, and which the City Representative has certified do not and will not interfere in any material way with the intended use of the Leased Property, are as follows:
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- **Style change**
- **Format change**
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- **Padding cell**

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ESCROW AGREEMENT

Relating to:

LEASE PURCHASE AGREEMENT
BETWEEN U.S. BANK NATIONAL ASSOCIATION,
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE
INDENTURE IDENTIFIED THEREIN, AS LESSOR,
AND THE CITY OF LAKEWOOD, COLORADO, AS LESSEE

DATED as of September __, made by and between the CITY OF LAKEWOOD, COLORADO (the “City”), a home rule municipal corporation and political subdivision of the State of Colorado, and U.S. BANK NATIONAL ASSOCIATION (the “Escrow Bank”), a national banking association, as escrow agent (the “Escrow Agent”), a bank having and exercising full and complete trust powers, duly organized and existing under the laws of the United States, being a member of the Federal Deposit Insurance Corporation and the Federal Reserve System.

(1) WHEREAS, certain Refunding Certificates of Participation, Series 2006A (the “Series 2006A Certificates”), evidencing assignment of proportionate undivided interest in rights to receive certain revenues pursuant to the Lease Purchase and Sublease Agreement dated as of August 1, 2000, as amended by the First Amendment to Lease Purchase and Sublease Agreement dated as of April 1, 2004, and as amended by the Second Amendment to Lease Purchase and Sublease Agreement dated as of February 1, 2006 (as amended, the “2000 Lease Purchase Agreement”), among the City, as lessee, and the Lakewood Public Building Authority, as assigned to U.S. Bank National Association, as lessor, have been executed and delivered pursuant to a Mortgage and Indenture of Trust dated as of August 1, 2000, as amended and supplemented by a First Supplement to Mortgage and Indenture of Trust dated February 1, 2006, executed and delivered by U.S. Bank National Association (the “Trustee”); and

(2) WHEREAS, the portion of the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund, bearing interest payable on June 1 and December 1 in each year, are outstanding in the following principal amounts and following interest rates:

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<th>Principal Amount</th>
<th>Interest Rate</th>
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2021  717,000  5.00  
2022  367,612  5.00  
; and

(3) **WHEREAS**, the City now desires to defease the portion of the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund maturing on June 1, 2021 and June 1, 2022 in the aggregate principal amount of $[1,084,612] (the “Refunded Certificates”) on their respective maturity dates (the “Redemption Dates”); and

(4) **WHEREAS**, U.S. Bank National Association executed and delivered an Indenture of Trust dated September 1, 2020 (the “Indenture”), in part, to provide for the execution, delivery and payment of and security for Certificates of Participation, Series 2020A (the “Series 2020A Taxable Certificates”), Evidencing Proportionate Interests in the Series 2020A Base Rentals and other Series 2020A Revenues under an annually renewable Lease Purchase Agreement dated as of September 1, 2020, between U.S. Bank National Association, solely in its capacity as trustee under the Indenture, as lessor, and the City of Lakewood, Colorado, as lessee (the “Lease”), in order to effectuate the refunding of the Refunded Certificates; and

(5) **WHEREAS**, the City and the Escrow Bank desire to enter into this Escrow Agreement for the purpose paying, together with other available moneys, the principal of and interest due on the Refunded Certificates on the respective Redemption Dates (the “Refunded Certificate Requirements”), as set forth in the certified public accountant’s report attached as Exhibit 1 to this Escrow Agreement and paying costs incidental thereto; and

(6) **WHEREAS**, the Series 2020A Taxable Certificates were authorized to be executed and delivered by an ordinance (the “Ordinance”) duly adopted by the City Council of the City on [August 24, 2020]; and

(7) **WHEREAS**, the Series 2020A Taxable Certificates were sold subject to the approving opinion of the City’s bond counsel, Sherman & Howard L.L.C. (“bond counsel”); and

(8) **WHEREAS**, the City, by the Ordinance and Indenture, among other matters;
   A. Authorized the execution and delivery of the Series 2020A Taxable Certificates;
   B. Provided for the deposit into the Escrow Account (defined below) of the net proceeds of the Series 2020A Taxable Certificates 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 the principal and interest of which are unconditionally guaranteed by, the United States, which obligations are not callable at the option of the issuer thereof ("Federal Securities"), to pay the Refunded Certificate Requirements, as set forth herein (in no circumstance 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);

C. Authorized the payment of the Refunded Certificates on the Redemption Date;

D. Authorized the purchase of Federal Securities, as described herein, with such moneys credited to the Escrow Account; and

E. Authorized the completion and execution of this Escrow Agreement; and

(9) WHEREAS, copies of the Lease, Indenture and Ordinance have 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

(10) WHEREAS, the Federal Securities described in Exhibit 1 attached hereto have appropriate maturities and yields to ensure the payment, together with the initial cash (as defined below), of the Refunded Certificate Requirements, as the same becomes due; and

(11) WHEREAS, a schedule of receipts from such Federal Securities and a schedule of payments and disbursements in the certified public accountant’s report attached as Exhibit 1 to this Escrow Agreement, demonstrate the sufficiency of the Federal Securities and initial cash for such purpose; and

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

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

(14) WHEREAS, the City is empowered to undertake the obligations and commitments on its part herein set forth; and
(15) WHEREAS, the undersigned officers of the City are duly authorized to execute and deliver this Escrow 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, and in order to secure the payment of the Refunded Certificate Requirements as the same become due, the parties hereto mutually undertake, promise, and agree for themselves, their respective representatives, successors, and assigns, as follows:

Section 1. Creation of Escrow.

A. Simultaneously with the delivery of Series 2020A Taxable Certificates, and subject to their execution and delivery, there shall be purchased, with $[1,300,000] derived from the proceeds of the Series 2020A Taxable Certificates (to the extent not heretofore purchased) the Federal Securities described in Exhibit 1 to this Escrow Agreement (the “Initial Federal Securities”) and shall cause the Initial Federal Securities to be credited to and accounted for in a separate trust account designated as the “Lakewood Series 2006A Escrow Defeasance Account” (the “Escrow Account”). Receipt of $[1,300,000] by the Escrow Bank to be applied as provided herein is hereby acknowledged.

B. Other Federal Securities may be substituted for any Initial Federal Securities if such Initial Federal Securities are unavailable for purchase at the time of the execution and delivery of the Series 2020A Taxable Certificates, subject in any case to sufficiency demonstrations and a yield proof in a certified public accountant’s report, and subject to a favorable opinion of the City’s bond counsel as to the legality of any such substitution, 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 principal of, interest on and any prior redemption premiums due in connection with the Refunded Certificates. 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. Similarly, any temporary advancement of moneys to the Escrow Account to pay designated Refunded Certificate 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.

C. The proceeds of the Initial Federal Securities (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 Escrow Agreement.

D. If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a SLGS (defined below) subscription that is to be submitted pursuant to this Section 1, the Escrow Agent shall promptly request alternative written investment instructions from the City with respect to escrowed funds which were to be invested in SLGS. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the City. In the absence of investment instructions from the City, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the City’s selection of an alternative investment as a determination of the alternative investment’s legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 2. Purpose of Escrow; Delivery of Notices.

A. The Escrow Bank shall hold all Federal Securities 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 Certificate Requirements on the Redemption Dates.

B. 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 Certificate Requirements as aforesaid.

C. The City hereby directs the Trustee to file the event notice attached hereto as Exhibit 2 with the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access (“EMMA”) system on the date hereof to provide notice of the defeasance of the Refunded Certificates.

Section 3. Accounting for Escrow.

A. The moneys and Federal Securities 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.

B. The Escrow Bank shall, however, transfer from the Escrow Account to the Trustee, as paying agent for the Refunded Certificates (the “Trustee”), sufficient moneys to permit the Trustee to pay, without any default, the Refunded Certificate Requirements as the same become due, as provided herein and as directed by the duly authorized officers of the City.

C. Except as otherwise provided in paragraph B of Section 1 of this Escrow 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 Certificate Requirements.


A. Any Federal Securities shall be purchased in such manner:

   (1) So that such Federal Securities may be redeemed in due season at their respective maturities to meet such Refunded Certificate Requirements as the same become due; and

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

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

Section 5. Reinvestments.

A. The Escrow Bank may reinvest the cash balances listed in Exhibit 1 hereof, if any, in state and local government series securities (“SLGS”) purchased by the Escrow Bank for the
City directly from the United States Government. All of the SLGS in which such reinvestments are made shall bear interest at the rate of 0% per annum.

B. In addition to or, as the case may be, in lieu of the reinvestments required by subsection A of this section, the Escrow Bank may, and at the written direction of the City shall, reinvest in Federal Securities any moneys (except the initial cash) 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 and 4 hereof and of the following additional limitations:

1. Any such Federal Securities shall not be subject to redemption prior to their respective maturities at the option of their issuer; and
2. 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 Certificate Requirements, as the same become due.

C. Under no circumstances shall any reinvestment be made under this Section 5 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.

D. The Escrow Bank shall make no such reinvestment under this Section 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 (C) of this Section 5 (provided, however, no such opinion shall be required by the Escrow Bank in connection with making any reinvestment required by subsection A of this Section 5), and a report of a certified public accountant evidencing that funds and assets in the Escrow Account, after such reinvestment, shall be sufficient to pay the Refunded Certificate Requirements as they become due and payable (provided, however, no such opinion shall be required by the Escrow Bank in connection with making any reinvestment required by subsection A of this Section 5).

E. The Escrow Bank shall have no obligations by virtue of this Escrow Agreement, general trust law, or otherwise to make any investment or reinvestment of any moneys in escrow at any time except as provided in this Section 5.

Section 6. 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
Section 7.  Transfers. The Escrow Bank shall make such credit arrangements with and transfers to the Trustee, as will assure, to the extent of money in the Escrow Account properly allocable to and available therefor, the timely payment of the Refunded Certificate Requirements.

Section 8.  Termination of Escrow Account. When payment or provisions for payment shall have been made with the Trustee, so that all Refunded Certificate Requirements shall be or 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 for the City to the City Manager. Such moneys may be used by the City for any lawful purpose, subject to any limitations in the Lease and Indenture. This Escrow Agreement may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Escrow Agreement by either party shall not be effective until (a) a successor Escrow Bank has been appointed by the City and such appointment accepted and (b) notice has been given to the holders of the Series 2006A Certificates of the appointment of a successor Escrow Bank. Furthermore, the Escrow Bank and the City agree that the effective date of an early termination of this Escrow Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Refunded Certificate Requirements.

Section 9.  Fees and Costs.

A. The Escrow Bank’s total fees and costs for and in carrying out the provisions of this Escrow Agreement have been fixed at $[______], which amount is to be paid at or prior to the time of the execution and delivery of the Series 2020A Taxable Certificates directly to the Escrow Bank as payment in full of all charges of the Escrow Bank pertaining to this Escrow Agreement for services performed hereunder. The City shall pay the Escrow Bank for any extraordinary services or expenses which are approved separately in writing by the City prior to the performance of those services or the incurring of those expenses so as to allow the City to appropriate sufficient funds for their payment.

B. Such payment for services rendered and to be rendered by the Escrow Bank shall not be for deposit in the Escrow Account; the fees of and the costs incurred by the Escrow Bank
shall not be deducted from such account; and the Escrow Bank shall never assert a lien against the monies and securities in the Escrow Account.

**Section 10. Possible Deficiencies.**

A. If at any time it shall appear to the Escrow Bank that the money and any interest on and principal of the Federal Securities in escrow allocable for such use under this Escrow Agreement will not be sufficient to make any required payment due on the Refunded Certificate Requirements as the same becomes due, the Escrow Bank shall notify in writing the City Manager as soon as reasonably practicable of such fact and the amount of such deficiency.

B. Thereupon the City shall forthwith pay to the Escrow Bank for deposit in the Escrow Account such additional moneys as may be required.

C. The Escrow Bank shall in no manner be responsible for the City’s failure to make any such deposit.

**Section 11. Reports.**

A. By February 15 of each year, commencing February 15, 2021 and ending on February 15, 2023, the Escrow Bank shall submit to the City Manager a report covering all money which the Escrow Bank shall have received and all payments which it shall have made or caused during the immediately preceding calendar year.

B. 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 pledged to secure the repayment to the City of any uninvested moneys were placed in pledge, as permitted by Section 13.

**Section 12. Character of Deposit.**

A. 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 but subject always to the prior charge and lien thereon of this Escrow Agreement and the use thereof required to be made by the provisions of this Escrow Agreement and the Indenture.

B. 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 with other securities.
Section 13. Securing Deposit.

A. The Escrow Bank may cause the Federal Securities accounted for in the Escrow Account to be registered in the name of the City for payment, if they are registrable for payment, and in such event shall obtain the necessary endorsements from the duly authorized officials of the City as they become due.

B. The City, in connection with any Federal Securities accounted for in the Escrow Account and held as book-entries, shall cooperate with the Escrow Bank and shall forthwith make arrangements with an appropriate representative of the issuer of such Federal Securities, so that the interest on and the principal of the Federal Securities shall be promptly transmitted, as the same become due from time to time, to the Escrow Bank for the benefit of the City.

C. All uninvested money, in excess of FDIC insurance coverage, held at any time in the Escrow Account shall be continuously secured by the deposit of Federal Securities in a principal amount and value always not less than the total amount of uninvested money in the Escrow Account:

   (1) In any branch of the Federal Reserve Bank, or
   (2) In any commercial bank which:
      (a) Is a state or national bank or trust company, and
      (b) Is a member of the Federal Deposit Insurance Corporation, and
      (c) Is a member of the Federal Reserve System, and
      (d) Has a capital and surplus of $10,000,000.00 or more, and
      (e) Is exercising full and complete trust powers, and
      (f) Is located in the State or without the State (“trust bank”), or
   (3) In any branch of the Federal Reserve Bank and in one or more trust banks (or any combination thereof).

D. Such Federal Securities so held as a pledge shall be used whenever necessary to enable the Trustee to pay the Refunded Certificate Requirements as the same become due, to the extent other moneys are not transferred or caused to be transferred for such purpose by the Escrow Bank.
E. Any Federal Securities (except as they may be held as book-entries) and any uninvested moneys accounted for in the Escrow Account may from time to time be placed by the Escrow Bank for safekeeping wholly or in part in any such trust bank, only if prior to any such transfer the City Manager consents thereto in writing.

F. Each such trust bank holding any Federal Securities accounted for in the Escrow Account or any uninvested moneys accounted for therein, shall be furnished by the Escrow Bank with a copy of this Escrow Agreement prior to such deposit.

G. By the acceptance of such Federal Securities or such uninvested moneys each such trust bank shall be bound in the same manner as the Escrow Bank, as herein provided.

H. The Escrow Bank, however, shall remain solely responsible to the City:
   (1) For any investment or reinvestments of moneys pursuant to Sections 1 and 5 hereof,
   (2) For transfers of money,
   (3) For the termination of the Escrow Account pursuant to Section 8 hereof,
   (4) For any notification of prospective deficiencies pursuant to Section 10 hereof,
   (5) For the final report pursuant to Section 11 hereof, and
   (6) For defraying any charges of any branch of the Federal Reserve Bank or any trust bank for any deposits of Federal Securities as pledge to secure uninvested moneys, of Federal Securities in escrow, and of uninvested moneys in escrow (or any combination thereof) or for any other service relating to this Escrow Agreement or the Escrow Account.

I. Notwithstanding the liabilities of the Escrow Bank stated in paragraph H of this section, the Escrow Bank may cause any one, all, or any combination of the duties stated in paragraph H to be performed on its behalf by any trust bank.

J. If at any time the Escrow Bank fails to account for any moneys or Federal Securities held by it or by any such trust bank in the Escrow Account, such moneys and securities shall be and remain the property of the City.

K. If for any reason such moneys or Federal Securities cannot be identified, all other assets of the Escrow Bank and of each such trust bank failing to account therefor shall be
impressed with a trust for the amount thereof, and the City shall be entitled to a preferred claim upon such assets.

L. No money paid into and accounted for in the Escrow Account shall ever be considered as an asset of the Escrow Bank and neither the Escrow Bank nor any such trust bank shall have any right or title with respect thereto.

Section 14. Purchaser’s Responsibility. The Series 2020A Owners of the Series 2020A Taxable Certificates 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, in its capacity as Escrow Bank, from its duties under this Escrow Agreement.

Section 15. Amendment.

A. The Series 2020A Taxable Certificates shall be executed and delivered in reliance upon this Escrow Agreement and except as herein provided this Escrow Agreement shall be irrevocable and not subject to amendment after the Series 2020A Taxable Certificates shall have been executed and delivered.

B. The provisions of this Escrow Agreement may be amended, waived or modified only by an agreement in writing, signed by both of the parties hereto and upon approval of the holders of all of the then outstanding Series 2006A Certificates. Notwithstanding the foregoing sentence, the provisions of this Escrow Agreement may be amended, waived or modified for one or more of the following purposes:

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

(2) to pledge additional revenues, properties or collateral as security for the Refunded Certificates; or

(3) to deposit additional monies 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 Series 2006A Certificates or, if applicable, affects the exclusion of the interest on any portion on the Series 2006A Certificates or the Series 2020B Certificates (as defined in the Indenture) from gross income for federal income tax purposes, unless such amendment, waiver or modification is approved by the holders of all of the
then outstanding Series 2006A Certificates and Series 2020B Certificates. The Escrow Bank shall be
entitled to receive and rely on an opinion of bond counsel as to whether such amendment,
modification or waiver materially prejudices the owners of the Series 2006A Certificates or, if
applicable, affects the exclusion of the interest on the Series 2006A Certificates or Series 2020B
Certificates.


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

B. 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.

C. 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.

D. 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
Escrow Agreement, in the Ordinance, in the Indenture, in the Refunded Certificates, or in any
proceedings taken in connection therewith, such recitals and statements being made solely by the
City.

E. Nothing in this Escrow 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 Certificates.

F. None of the provisions of this Escrow Agreement shall require the Escrow
Bank to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the
performance of any of its duties hereunder. The Escrow Bank may conclusively rely and shall be
fully protected in acting or refraining from acting upon any resolution, certificate, statement,
instrument, opinion, reports, notice, request, consent, order, approval or other paper or document
believed by it to be genuine and to have been signed or presented by the proper party or parties. The
Escrow Bank may consult with counsel and the advice or any opinion of counsel shall be full and
complete authorization and protection in respect of any action taken or omitted by it hereunder in
good faith and in accordance with such advice or opinion of counsel. The Escrow Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

G. The Escrow Bank may at any time resign by giving 30 days written notice of resignation to the City. Upon receiving such notice of resignation, the City shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Bank from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to the City, the resigning Escrow Bank and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Bank may petition any court of competent jurisdiction for the appointment of a successor.

H. The Escrow Bank agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Bank shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Escrow Bank e-mail or facsimile instructions (or instructions by a similar electronic method), and the Escrow Bank in its discretion elects to act upon such instructions, the Escrow Bank’s understanding of such instructions shall be deemed controlling. If the Escrow Bank elects not to act on such instructions, the Escrow Bank shall notify the City. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank’s reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Escrow Agent and that
there may be more secure methods of transmitting instructions than the method(s) selected by the City; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

I. The Escrow Bank shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other like occurrences beyond the control of the Escrow Bank; it being understood that the Escrow Bank shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

J. Any bank, corporation or association into which the Escrow Bank may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Bank shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Bank shall be the successor of the Escrow Bank hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instruction of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

K. Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action. Neither the Escrow Bank nor any of its officers, directors, employees or agents shall be liable for any action taken or omitted under this Escrow Agreement or in connection herewith except to the extent caused by the Escrow Bank’s negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review.
L. To the extent allowed by Colorado law, the City shall indemnify, defend and hold harmless the Escrow Bank and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Bank for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys’ and agents’ fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Bank directly or indirectly relating to, or arising from, claims against the Escrow Bank by reason of its participation in the transactions contemplated hereby except to the extent caused by the Escrow Bank’s negligence or willful misconduct. The foregoing sentence shall survive the termination of this Escrow Agreement or the earlier resignation or removal of the Escrow Bank.

Section 17. 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 Escrow Agreement.

Section 18. Successors.

A. The rights and obligations under this Escrow Agreement may be transferred by the Escrow Bank to a successor that is a commercial bank with trust powers having a capital and surplus of not less than $10,000,000. Such commercial bank into which the Escrow Bank may be merged or converted or with which it may be consolidated, or such commercial bank resulting from any merger, conversion, or consolidation to which it shall be a party, or such commercial bank 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, and vested with all of the title to the Escrow Account and all the powers, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any documents or any further act, deed or conveyance on the part of any of the parties hereto, anything to the contrary notwithstanding.

B. Whenever in this Escrow 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.

C. 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 Escrow Agreement:

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

Section 19. Governing Law. This Escrow Agreement shall be governed by the laws of the State of Colorado.

Section 20. Severability. If any section, paragraph, clause, or provision of this Escrow 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 Escrow Agreement. The City and the Escrow Bank agree to furnish written notice of any finding of invalidity or unenforceability to any of the rating agencies that rated the Refunded Certificates.
IN WITNESS WHEREOF, the CITY OF LAKEWOOD, COLORADO, has caused this Escrow Agreement to be signed in the City’s name by the City Manager; and U.S. BANK NATIONAL ASSOCIATION, has caused this Escrow Agreement to be signed in its corporate name by one of its authorized officers, all as of the day and year first above written.

CITY OF LAKEWOOD

____________________________________
Kathleen E. Hodgson, City Manager

ATTEST:

Michele Millard, City Clerk

____________________________________
Attestation Date

Approved as to form:

____________________________________
Attorney

Recommended and approved as to content:

Kit Newland, Director
Department of Community Resources

U.S. BANK NATIONAL ASSOCIATION, as Escrow Bank

____________________________________
By Authorized Officer
EXHIBIT 1

(Attach Certified Public Accountant’s Report)
EXHIBIT 2

NOTICE OF DEFEASANCE

REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2006A

Evidencing rights to receive certain Base Rentals, Additional Rentals and other revenues under a Lease Purchase and Sublease Agreement dated as of August 1, 2000, as amended, between the Lakewood Public Building Authority, as assigned to U.S. Bank National Association, as lessor, and the City of Lakewood, Colorado, as lessee

NOTICE IS HEREBY GIVEN that the City of Lakewood, Colorado (the “City”), has caused to be deposited in escrow with U.S. Bank National Association, Denver, Colorado, the proceeds of certain certificates of participation and other legally available moneys in an aggregate amount, fully sufficient, together with proceeds and other moneys which have been invested in State and Local Government Series securities issued by the United States Treasury, which are direct obligations of the United States of America, to defease $[1,084,612] aggregate principal amount of a portion of the above-captioned Refunding Certificates of Participation, Series 2006A (the “Series 2006A Certificates”), maturing at the times hereinafter set forth, at a payment or redemption price, as applicable, equal to the principal amount thereof allocated to the City’s Golf Enterprise Fund, plus accrued interest thereon, without premium.

The portion of the Series 2006A Certificates being defeased are as follows:

<table>
<thead>
<tr>
<th>Maturity Date (June 1)</th>
<th>Principal Amount</th>
<th>CUSIP Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$ 717,000</td>
<td>ACM5</td>
</tr>
<tr>
<td>2022</td>
<td>367,612</td>
<td>ACN3</td>
</tr>
</tbody>
</table>

The portion of the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund maturing on June 1, 2021 and June 1, 2022 (the “Refunded Certificates”) will be paid on their regularly scheduled maturity dates.

According to a report of a firm of certified public accountants, licensed to practice in Colorado, the escrow established at U.S. Bank National Association, Denver, Colorado, including the known minimum yield from such investments and any temporary reinvestments and the initial cash balance, if any, remaining uninvested, will be fully sufficient at the time of the deposit and at all times subsequent, to pay the principal of and accrued interest on the Refunded Certificates on their respective maturity dates.

The above-referenced CUSIP numbers were assigned to this issue by Standard & Poor’s Corporation and are intended solely for certificate holders’ convenience. Neither the Trustee nor the City shall be responsible for selection or use of the CUSIP numbers, nor is any representation made as to their correctness on any redemption notice.

Dated: September __, 2020.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee for the Refunded Certificates
ESCROW AGREEMENT

Relating to:

LEASE PURCHASE AGREEMENT
BETWEEN U.S. BANK NATIONAL ASSOCIATION,
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE
INDENTURE IDENTIFIED THEREIN, AS LESSOR,
AND THE CITY OF LAKEWOOD, COLORADO, AS LESSEE

DATED as of September __, made by and between the CITY OF LAKEWOOD, COLORADO (the “City”), a home rule municipal corporation and political subdivision of the State of Colorado, and U.S. BANK NATIONAL ASSOCIATION (the “Escrow Bank”), a national banking association, as escrow agent (the “Escrow Agent”), a bank having and exercising full and complete trust powers, duly organized and existing under the laws of the United States, being a member of the Federal Deposit Insurance Corporation and the Federal Reserve System.

WHEREAS, certain Refunding Certificates of Participation, Series 2006A (the “Series 2006A Certificates”), evidencing assignment of proportionate undivided interest in rights to receive certain revenues pursuant to the Lease Purchase and Sublease Agreement dated as of August 1, 2000, as amended by the First Amendment to Lease Purchase and Sublease Agreement dated as of April 1, 2004, and as amended by the Second Amendment to Lease Purchase and Sublease Agreement dated as of February 1, 2006 (as amended, the “2000 Lease Purchase Agreement”), among the City, as lessee, and the Lakewood Public Building Authority, as assigned to U.S. Bank National Association, as lessor, have been executed and delivered pursuant to a Mortgage and Indenture of Trust dated as of August 1, 2000, as amended and supplemented by a First Supplement to Mortgage and Indenture of Trust dated February 1, 2006, 2006 (as amended and supplemented, the “2000 Indenture”), executed and delivered by U.S. Bank National Association (the “Trustee”); and

WHEREAS, the portion of the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund, bearing interest payable on June 1 and December 1 in each year, are outstanding in the following principal amounts and following interest rates:

<table>
<thead>
<tr>
<th>Years Maturing (June 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>717,000</td>
<td>5.00</td>
</tr>
<tr>
<td>2022</td>
<td>367,612</td>
<td>5.00</td>
</tr>
</tbody>
</table>

; and
WHEREAS, the City now desires to defease the portion of the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund maturing on June 1, 2021 and June 1, 2022 in the aggregate principal amount of $[1,084,612] (the “Refunded Certificates”) on their respective maturity dates (the “Redemption Dates”); and

WHEREAS, U.S. Bank National Association executed and delivered an Indenture of Trust dated September 1, 2020 (the “Indenture”), in part, to provide for the execution, delivery and payment of and security for Certificates of Participation, Series 2020A (the “Series 2020A Taxable Certificates”), Evidencing Proportionate Interests in the Series 2020A Base Rentals and other Series 2020A Revenues under an annually renewable Lease Purchase Agreement dated as of September 1, 2020, between U.S. Bank National Association, solely in its capacity as trustee under the Indenture, as lessor, and the City of Lakewood, Colorado, as lessee (the “Lease”), in order to effectuate the refunding of the Refunded Certificates; and

WHEREAS, the City and the Escrow Bank desire to enter into this Escrow Agreement for the purpose of paying, together with other available moneys, the principal of and interest due on the Refunded Certificates on the respective Redemption Dates (the “Refunded Certificate Requirements”), as set forth in the certified public accountant’s report attached as Exhibit 1 to this Escrow Agreement and paying costs incidental thereto; and

WHEREAS, the Series 2020A Taxable Certificates were authorized to be executed and delivered by an ordinance (the “Ordinance”) duly adopted by the City Council of the City on [August 24, 2020]; and

WHEREAS, the Series 2020A Taxable Certificates were sold subject to the approving opinion of the City’s bond counsel, Sherman & Howard L.L.C. (“bond counsel”); and

WHEREAS, the City, by the Ordinance and Indenture, among other matters;

A. Authorized the execution and delivery of the Series 2020A Taxable Certificates;

B. Provided for the deposit into the Escrow Account (defined below) of the net proceeds of the Series 2020A Taxable Certificates 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 timely payment of principal and interest of which are fully and unconditionally guaranteed by, the United States of America, which obligations are not callable at the option of the issuer thereof (“Federal Securities”), to pay the Refunded Certificate Requirements, as set forth herein (in no circumstance 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);

C. Authorized the payment of the Refunded Certificates on the Redemption Date;
D. Authorized the purchase of Federal Securities, as described herein, with such moneys credited to the Escrow Account; and

E. Authorized the completion and execution of this Escrow Agreement; and

(9) WHEREAS, copies of the Lease, Indenture and Ordinance have 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

(10) WHEREAS, the Federal Securities described in Exhibit 1 attached hereto have appropriate maturities and yields to ensure the payment, together with the initial cash (as defined below), of the Refunded Certificate Requirements, as the same becomes due; and

(11) WHEREAS, a schedule of receipts from such Federal Securities and a schedule of payments and disbursements in the certified public accountant’s report attached as Exhibit 1 to this Escrow Agreement, demonstrate the sufficiency of the Federal Securities and initial cash for such purpose; and

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

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

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

(15) WHEREAS, the undersigned officers of the City are duly authorized to execute and deliver this Escrow 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, and in order to secure the payment of the Refunded Certificate Requirements as the same become due, the parties hereto mutually undertake, promise, and agree for themselves, their respective representatives, successors, and assigns, as follows:

**Section 1. Creation of Escrow.**

A. Simultaneously with the delivery of Series 2020A Taxable Certificates, and subject to their execution and delivery, there shall be purchased, with $1,300,000 derived from the proceeds of the Series 2020A Taxable Certificates (to the extent not heretofore purchased) the Federal Securities described in Exhibit 1 to this Escrow Agreement (the “Initial Federal Securities”) and shall cause the Initial Federal Securities to be credited to and accounted for in a separate trust account designated as the “Lakewood Series 2006A Escrow Defeasance Account” (the “Escrow Account”). Receipt of $1,300,000 by the Escrow Bank to be applied as provided herein is hereby acknowledged.
B. Other Federal Securities may be substituted for any Initial Federal Securities if such Initial Federal Securities are unavailable for purchase at the time of the execution and delivery of the Series 2020A Taxable Certificates, subject in any case to sufficiency demonstrations and a yield proof in a certified public accountant’s report, and subject to a favorable opinion of the City’s bond counsel as to the legality of any such substitution, 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 principal of, interest on and any prior redemption premiums due in connection with the Refunded Certificates. 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. Similarly, any temporary advancement of moneys to the Escrow Account to pay designated Refunded Certificate 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.

C. The proceeds of the Initial Federal Securities (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 Escrow Agreement.

D. If the Escrow Agent learns that the Department of the Treasury or the Bureau of Public Debt will not, for any reason, accept a SLGS (defined below) subscription that is to be submitted pursuant to this Section 1, the Escrow Agent shall promptly request alternative written investment instructions from the City with respect to escrowed funds which were to be invested in SLGS. The Escrow Agent shall follow such instructions and, upon the maturity of any such alternative investment, the Escrow Agent shall hold funds uninvested and without liability for interest until receipt of further written instructions from the City. In the absence of investment instructions from the City, the Escrow Agent shall not be responsible for the investment of such funds or interest thereon. The Escrow Agent may conclusively rely upon the City’s selection of an alternative investment as a determination of the alternative investment’s legality and suitability and shall not be liable for any losses related to the alternative investments or for compliance with any yield restriction applicable thereto.

Section 2. Purpose of Escrow; Delivery of Notices.

A. The Escrow Bank shall hold all Federal Securities 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 Certificate Requirements on the Redemption Dates.

B. 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 Certificate Requirements as aforesaid.

Section 3: Accounting for Escrow.

A. The moneys and Federal Securities 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.

B. The Escrow Bank shall, however, transfer from the Escrow Account to the Trustee, as paying agent for the Refunded Certificates (the “Trustee”), sufficient moneys to permit the Trustee to pay, without any default, the Refunded Certificate Requirements as the same become due, as provided herein and as directed by the duly authorized officers of the City.

C. Except as otherwise provided in paragraph B of Section 1 of this Escrow 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 Certificate Requirements.

Section 4: Maturities of Federal Securities.

A. Any Federal Securities shall be purchased in such manner:

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

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

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

Section 5: Reinvestments.

A. The Escrow Bank may reinvest the cash balances listed in Exhibit 1 hereof, if any, in state and local government series securities (“SLGS”) purchased by the Escrow Bank for the City directly from the United States Government. All of the SLGS in which such reinvestments are made shall bear interest at the rate of 0% per annum.

B. In addition to or, as the case may be, in lieu of the reinvestments required by subsection A of this section, the Escrow Bank may, and at the written direction of the City shall, reinvest in Federal Securities any moneys (except the initial cash) 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 and 4 hereof and of the following additional limitations:

(1) Any such Federal Securities shall not be subject to redemption prior to their respective maturities at the option of their issuer; and

(2) 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 Certificate Requirements, as the same become due.

C. Under no circumstances shall any reinvestment be made under this Section 5 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.

D. The Escrow Bank shall make no such reinvestment under this Section 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 (C) of this Section 5 (provided, however, no such opinion shall be required by the Escrow Bank in connection with making any reinvestment required by subsection A of this Section 5), and a report of a certified public accountant evidencing that funds and assets in the Escrow Account, after such reinvestment, shall be sufficient to pay the Refunded Certificate Requirements as they become due and payable (provided, however, no such opinion shall be required by the Escrow Bank in connection with making any reinvestment required by subsection A of this Section 5).

E. The Escrow Bank shall have no obligations by virtue of this Escrow Agreement, general trust law, or otherwise, to make any investment or reinvestment of any moneys in escrow at any time except as provided in this Section 5.

Section 6. 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 Certificate Requirements as they become due, subject to the provisions of Section 10 hereof.

Section 7. Transfers. The Escrow Bank shall make such credit arrangements with and transfers to the Trustee, as will assure, to the extent of money in the Escrow Account properly allocable to and available therefor, the timely payment of the Refunded Certificate Requirements.

Section 8. Termination of Escrow Account. When payment or provisions for payment shall have been made with the Trustee, so that all Refunded Certificate Requirements shall be or 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 for the City to the City Manager. Such moneys may be used by the City for any lawful purpose, subject to any limitations in the Lease and Indenture. This Escrow Agreement may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Escrow Agreement by either party shall not be
effective until (a) a successor Escrow Bank has been appointed by the City and such appointment accepted and (b) notice has been given to the holders of the Series 2006A Certificates of the appointment of a successor Escrow Bank. Furthermore, the Escrow Bank and the City agree that the effective date of an early termination of this Escrow Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Refunded Certificate Requirements.

Section 9. Fees and Costs.

A. The Escrow Bank’s total fees and costs for and in carrying out the provisions of this Escrow Agreement have been fixed at $[______], which amount is to be paid at or prior to the time of the execution and delivery of the Series 2020A Taxable Certificates directly to the Escrow Bank as payment in full of all charges of the Escrow Bank pertaining to this Escrow Agreement for services performed hereunder. The City shall pay the Escrow Bank for any extraordinary services or expenses which are approved separately in writing by the City prior to the performance of those services or the incurring of those expenses so as to allow the City to appropriate sufficient funds for their payment.

B. Such payment for services rendered and to be rendered by the Escrow Bank shall not be for deposit in the Escrow Account; the fees of and the costs incurred by the Escrow Bank shall not be deducted from such account; and the Escrow Bank shall never assert a lien against the monies and securities in the Escrow Account.

Section 10. Possible Deficiencies.

A. If at any time it shall appear to the Escrow Bank that the money and any interest on and principal of the Federal Securities in escrow allocable for such use under this Escrow Agreement will not be sufficient to make any required payment due on the Refunded Certificate Requirements as the same becomes due, the Escrow Bank shall notify in writing the City Manager as soon as reasonably practicable of such fact and the amount of such deficiency.

B. Thereupon the City shall forthwith pay to the Escrow Bank for deposit in the Escrow Account such additional moneys as may be required.

C. The Escrow Bank shall in no manner be responsible for the City’s failure to make any such deposit.

Section 11. Reports.

A. By February 15 of each year, commencing February 15, 2021 and ending on February 15, 2023, the Escrow Bank shall submit to the City Manager a report covering all money which the Escrow Bank shall have received and all payments which it shall have made or caused during the immediately preceding calendar year.

B. 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 pledged to secure the
repayment to the City of any uninvested moneys were placed in pledge, as permitted by Section 13.

**Section 12**

**Character of Deposit.**

**A.** 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 but subject always to the prior charge and lien thereon of this Escrow Agreement and the use thereof required to be made by the provisions of this Escrow Agreement and the Indenture.

**B.** 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 with other securities.

**Section 13**

**Securing Deposit.**

**A.** The Escrow Bank may cause the Federal Securities accounted for in the Escrow Account to be registered in the name of the City for payment, if they are registrable for payment, and in such event shall obtain the necessary endorsements from the duly authorized officials of the City as they become due.

**B.** The City, in connection with any Federal Securities accounted for in the Escrow Account and held as book-entries, shall cooperate with the Escrow Bank and shall forthwith make arrangements with an appropriate representative of the issuer of such Federal Securities, so that the interest on and the principal of the Federal Securities shall be promptly transmitted, as the same become due from time to time, to the Escrow Bank for the benefit of the City.

**C.** All uninvested money, in excess of FDIC insurance coverage, held at any time in the Escrow Account shall be continuously secured by the deposit of Federal Securities in a principal amount and value always not less than the total amount of uninvested money in the Escrow Account:

1. In any branch of the Federal Reserve Bank, or
2. In any commercial bank which:
   1. Is a state or national bank or trust company, and
   2. Is a member of the Federal Deposit Insurance Corporation, and
   3. Is a member of the Federal Reserve System, and
   4. Has a capital and surplus of $10,000,000.00 or more, and
   5. Is exercising full and complete trust powers, and
   6. Is located in the State or without the State (“trust bank”), or
In any branch of the Federal Reserve Bank and in one or more trust banks (or any combination thereof).

Such Federal Securities so held as a pledge shall be used whenever necessary to enable the Trustee to pay the Refunded Certificate Requirements as the same become due, to the extent other moneys are not transferred or caused to be transferred for such purpose by the Escrow Bank.

Any Federal Securities (except as they may be held as book-entries) and any uninvested moneys accounted for in the Escrow Account may from time to time be placed by the Escrow Bank for safekeeping wholly or in part in any such trust bank, only if prior to any such transfer the City Manager consents thereto in writing.

Each such trust bank holding any Federal Securities accounted for in the Escrow Account or any uninvested moneys accounted for therein, shall be furnished by the Escrow Bank with a copy of this Escrow Agreement prior to such deposit.

By the acceptance of such Federal Securities or such uninvested moneys each such trust bank shall be bound in the same manner as the Escrow Bank, as herein provided.

The Escrow Bank, however, shall remain solely responsible to the City:

1. For any investment or reinvestments of moneys pursuant to Sections 1 and 5 hereof,

2. For transfers of money,

3. For the termination of the Escrow Account pursuant to Section 8 hereof,

4. For any notification of prospective deficiencies pursuant to Section 10 hereof,

5. For the final report pursuant to Section 11 hereof, and

6. For defraying any charges of any branch of the Federal Reserve Bank or any trust bank for any deposits of Federal Securities as pledge to secure uninvested moneys, of Federal Securities in escrow, and of uninvested moneys in escrow (or any combination thereof) or for any other service relating to this Escrow Agreement or the Escrow Account.

Notwithstanding the liabilities of the Escrow Bank stated in paragraph H of this section, the Escrow Bank may cause any one, all, or any combination of the duties stated in paragraph H to be performed on its behalf by any trust bank.

If at any time the Escrow Bank fails to account for any moneys or Federal Securities held by it or by any such trust bank in the Escrow Account, such moneys and securities shall be and remain the property of the City.
K. If for any reason such moneys or Federal Securities cannot be identified, all other assets of the Escrow Bank and of each such trust bank failing to account therefor shall be impressed with a trust for the amount thereof, and the City shall be entitled to a preferred claim upon such assets.

L. No money paid into and accounted for in the Escrow Account shall ever be considered as an asset of the Escrow Bank and neither the Escrow Bank nor any such trust bank shall have any right or title with respect thereto.

Section 14 Refunding and Defeasance Notices. In connection with the refunding and defeasance of the Refunded Certificates, the Escrow Agent shall give forthwith upon the delivery of the 2020A Taxable Certificates and again at least 30 days and not more than 60 days prior to each respective Redemption Date notices of refunding and defeasance of the Refunded Certificate Requirements by mailing such notices (in the form attached hereto as Exhibit 2) in the time and manner as set forth in the Indenture. By its execution of this Escrow Agreement, the Escrow Agent hereby acknowledges and accepts responsibility for the giving of such notices in the manner set forth in the 2000 Indenture.

Section 15 Purchaser’s Responsibility. The Series 2020A Owners of the Series 2020A Taxable Certificates 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, in its capacity as Escrow Bank, from its duties under this Escrow Agreement.

Section 16 Amendment.

A. The Series 2020A Taxable Certificates shall be executed and delivered in reliance upon this Escrow Agreement and except as herein provided this Escrow Agreement shall be irrevocable and not subject to amendment after the Series 2020A Taxable Certificates shall have been executed and delivered.

B. The provisions of this Escrow Agreement may be amended, waived or modified only by an agreement in writing, signed by both of the parties hereto and upon prior written notice to the Initial Purchaser (as defined in the Indenture) and after approval of the holders of all of the then outstanding Series 2006A Certificates. Notwithstanding the foregoing sentence, the provisions of this Escrow Agreement may be amended, waived or modified for one or more of the following purposes:

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

(2) to pledge additional revenues, properties or collateral as security for the Refunded Certificates; or

(3) to deposit additional monies 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 Series 2006A
Certificates or, if applicable, affects the exclusion of the interest on any portion on the Series 2006A Certificates or the Series 2020B Certificates (as defined in the Indenture) from gross income for federal income tax purposes, unless such amendment, waiver or modification is approved by the holders of all of the then outstanding Series 2006A Certificates and Series 2020B Certificates. The Escrow Bank shall be entitled to receive and rely on an opinion of bond counsel as to whether such amendment, modification or waiver materially prejudices the owners of the Series 2006A Certificates or, if applicable, affects the exclusion of the interest on the Series 2006A Certificates or Series 2020B Certificates.


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

B. 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.

C. 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.

D. 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 Escrow Agreement, in the Ordinance, in the Indenture, in the Refunded Certificates, or in any proceedings taken in connection therewith, such recitals and statements being made solely by the City.

E. Nothing in this Escrow 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 Certificates.

F. None of the provisions of this Escrow Agreement shall require the Escrow Bank to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Bank may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, reports, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Bank may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel. The Escrow Bank may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.
G. The Escrow Bank may at any time resign by giving 30 days written notice of resignation to the City and the Initial Purchaser (as defined in the Indenture). Upon receiving such notice of resignation, the City shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Bank from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to the City, the resigning Escrow Bank and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Bank may petition any court of competent jurisdiction for the appointment of a successor.

H. The Escrow Bank agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Bank shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the City elects to give the Escrow Bank e-mail or facsimile instructions (or instructions by a similar electronic method), and the Escrow Bank in its discretion elects to act upon such instructions, the Escrow Bank’s understanding of such instructions shall be deemed controlling. If the Escrow Bank elects not to act on such instructions, the Escrow Bank shall notify the City. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank’s reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Escrow Agent and that there may be more secure methods of transmitting instructions than the method(s) selected by the City; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

I. The Escrow Bank shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other like occurrences beyond the control of the Escrow Bank; it being understood that the Escrow Bank shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

J. Any bank, corporation or association into which the Escrow Bank may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Bank shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Bank shall be the successor of the Escrow Bank hereunder without the execution or filing of any paper with any party hereto or any
further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instruction of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

K. Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Bank be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Bank has been advised of the likelihood of such loss or damage and regardless of the form of action. Neither the Escrow Bank nor any of its officers, directors, employees or agents shall be liable for any action taken or omitted under this Escrow Agreement or in connection herewith except to the extent caused by the Escrow Bank’s negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review.

L. To the extent allowed by Colorado law, the City shall indemnify, defend and hold harmless the Escrow Bank and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Bank for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys’ and agents’ fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Bank directly or indirectly relating to, or arising from, claims against the Escrow Bank by reason of its participation in the transactions contemplated hereby except to the extent caused by the Escrow Bank’s negligence or willful misconduct. The foregoing sentence shall survive the termination of this Escrow Agreement or the earlier resignation or removal of the Escrow Bank.

Section 17. 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 Escrow Agreement.

Section 18. Successors.

A. The rights and obligations under this Escrow Agreement may be transferred by the Escrow Bank to a successor that is a commercial bank with trust powers having a capital and surplus of not less than $10,000,000. Such commercial bank into which the Escrow Bank may be merged or converted or with which it may be consolidated, or such commercial bank resulting from any merger, conversion, or consolidation to which it shall be a party, or such commercial bank 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, and vested with all of the title to the Escrow Account and all the powers, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any documents or any further act, deed or conveyance on the part of any of the parties hereto, anything to the contrary notwithstanding.

B. Whenever in this Escrow 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.
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 Escrow Agreement:

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

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

Section 19. Governing Law. This Escrow Agreement shall be governed by the laws of the State of Colorado.

Section 20. Section 20. Severability. If any section, paragraph, clause, or provision of this Escrow 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 Escrow Agreement. The City and the Escrow Bank agree to furnish written notice of any finding of invalidity or unenforceability to any of the rating agencies that rated the Refunded Certificates.

-Signature Page Follows-
IN WITNESS WHEREOF, the CITY OF LAKEWOOD, COLORADO, has caused this Escrow Agreement to be signed in the City’s name by the City Manager; and U.S. BANK NATIONAL ASSOCIATION, has caused this Escrow Agreement to be signed in its corporate name by one of its authorized officers, all as of the day and year first above written.

CITY OF LAKEWOOD

Kathleen E. Hodgson, COLORADO, as the City

By____________________________________

City Manager
ATTEST:

Michele Millard, City Clerk

Attestation Date__________________________

Approved as to form:

_________________________ Attorney

Recommended and approved as to content:

Kit Newland, Director
Department of Community Resources

U.S. BANK NATIONAL ASSOCIATION, as Escrow Bank

By____________________________________

Authorized Officer

-15-
EXHIBIT 1

(Attach Certified Public Accountant’s Report)
EXHIBIT 2

NOTICE OF PARTIAL DEFEASANCE AND REFUNDING

REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2006A
Evidencing rights to receive certain Base Rentals, Additional Rentals and other revenues under a Lease Purchase and Sublease Agreement dated as of August 1, 2000, as amended, between the Lakewood Public Building Authority, as assigned to U.S. Bank National Association, as lessor, and the City of Lakewood, Colorado, as lessee

NOTICE IS HEREBY GIVEN that the City of Lakewood, Colorado (the “City”), has caused to be deposited in escrow with U.S. Bank National Association, Denver, Colorado, the proceeds of certain certificates of participation and other legally available moneys in an aggregate amount, fully sufficient, together with proceeds and other moneys which have been invested in State and Local Government Series securities issued by the United States Treasury, which are direct obligations of, or obligations the timely payment of principal and interest of which are fully and unconditionally guaranteed by, the United States of America, which do not contain provisions permitting the redemption thereof at the option of the issuer, to defease $[1,084,612] aggregate principal amount of a portion of the above-captioned Refunding Certificates of Participation, Series 2006A (the “Series 2006A Certificates”), maturing at the times hereinafter set forth, at a payment or redemption price, as applicable, equal to the principal amount thereof allocated to the City’s Golf Enterprise Fund, plus accrued interest thereon, without premium.

The portion of the Series 2006A Certificates being defeased are as follows:

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<tr>
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The portion of the Series 2006A Certificates allocated to the City’s Golf Enterprise Fund maturing on June 1, 2021 and June 1, 2022 (the “Refunded Certificates”) will be paid on their regularly scheduled maturity dates. On such date, the principal amount thereof plus accrued interest thereon to the redemption date will become available, 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 established at U.S. Bank National Association, Denver, Colorado, including the known minimum yield from such investments and any temporary reinvestments and the initial cash balance, if any, remaining uninvested, will be fully sufficient at the time of the deposit and at all times subsequent, to pay the principal of and accrued interest on the Refunded Certificates on their respective maturity dates.

The above-referenced CUSIP numbers were assigned to this issue by Standard & Poor’s Corporation and are intended solely for certificate holders’ convenience. Neither the Trustee nor the City shall be responsible for selection or use of the CUSIP numbers, nor is any representation made as to their correctness on any redemption notice.
Dated: September __, 2020.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee for the Refunded Certificates
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- [Format changed](#)
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- [Split/Merged cell](#)
- [Padding cell](#)

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DATE OF COUNCIL MEETING: AUGUST 10, 2020 / AGENDA ITEM NO. 8

To: Mayor and City Council
From: Kit Newland, Director of Community Resources, 303-987-7822
Subject: HEAD START GRANT ORDINANCE FOR SUPPLEMENTAL APPROPRIATION

SUMMARY STATEMENT: The Family Services Division within the Community Resources Department requests approval of a supplemental budget appropriation to the Head Start grant in the amount of $96,669 to address COVID-19 related expenses in the Head Start program.

BACKGROUND INFORMATION: As a result of the CARES Act, approximately $250 million is available for grants to Head Start grantees for one-time activities in response to COVID-19. All Head Start, Early Head Start, and Early Head Start-Child Care Partnership grantees are eligible to receive funding for one-time activities in response to COVID-19. The CARES Act one-time funding was issued by formula based on funded enrollment as required by the appropriation.

BUDGETARY IMPACTS: The City’s Head Start program will receive a one-time appropriation of $96,669 from the Office of Head Start and must spend those funds during the 2020-2021 grant year.

STAFF RECOMMENDATIONS: Staff recommends approving the corresponding ordinance.

ALTERNATIVES: City Council could deny approval which would mean any additional expenses needed to address COVID-19 concerns will come from the Head Start base grant thereby reducing the funding available for standard operations.

PUBLIC OUTREACH: This item was promoted through the regular communication channels for items that come before City Council for consideration.

NEXT STEPS: N/A

ATTACHMENTS: 2020-2021 Head Start Grant Award Notice

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Timothy P. Cox, City Attorney
AN ORDINANCE

AUTHORIZING A SUPPLEMENTAL APPROPRIATION TO THE 2020-2021 CITY OF LAKEWOOD ANNUAL HEAD START GRANT IN THE AMOUNT OF $96,669 IN FUNDS DISTRIBUTED BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES, FROM OFFICE OF HEAD START

WHEREAS, Section 12.8 of the City of Lakewood (the “City”) home rule charter (the “Charter”) allows the City Council to make supplemental appropriations by ordinance during the fiscal year for unanticipated expenditures required for the operation of the City using monies not anticipated in the adopted budget that have become available to the City;

WHEREAS, the City’s Head Start program will incur numerous expenses and is required to make multiple physical, procedural and program-related modifications to its operations in response to the Coronavirus pandemic;

WHEREAS, following passage of the Coronavirus Aid, Relief and Economic Security Act (“CARES”) Act, the Department of Health and Human Services received distributions of Coronavirus Relief Fund (“CRF”) monies to help mitigate the impact of the Coronavirus pandemic within Head Start programs;

WHEREAS, the City is a provider of the federal Head Start program to qualifying children in Lakewood;

WHEREAS, the Office of Head Start has notified City staff that the City will receive additional, non-competitive funding for one-time activities in response to COVID-19 in the City’s Head Start program in the amount of $96,669 (the “CRF Funds”), which requires a supplemental appropriation to the City’s Annual Budget to accomplish purchasing and programming actions;

WHEREAS, the purchasing policies set forth in Chapter 3.04.090 of the City of Lakewood Municipal Code (“LMC”) require the City Council’s approval of any unbudgeted purchase, and any purchase with a change in funding source, in excess of $50,000;

WHEREAS, the Mayor or designee, as the City’s official representative, is authorized to submit documents and assurances as required to administer Head Start programs and expend Head Start funds;

WHEREAS, on February 24, 2020, the City Council adopted Resolution 2020-11 endorsing the City’s 2020-2021 Head Start Grant Application (the “2020-2021 Application”) for funding for the City’s 2020-2021 Head Start program;

WHEREAS, the City Council hereby finds and determines that endorsing the supplemental appropriation would be in the best interest of the residents of the City;

WHEREAS, approval of this Ordinance on first reading is intended only to confirm that the City Council desires to comply with the Lakewood Municipal Code by setting a public hearing to provide City staff and the public an opportunity to present evidence and testimony regarding the proposal; and
WHEREAS, approval of this Ordinance on first reading does not constitute a representation that the City Council, or any member of the City Council, supports, approves, rejects or denies the proposal.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lakewood, Colorado, that:

SECTION 1. In accordance with Section 12.8 of the Charter, there is hereby appropriated to the Head Start Grant Fund Ninety-Six Thousand Six Hundred Sixty-nine dollars ($96,669.00) in CRF Funds for the purpose of supporting the City’s Head Start program in responding to the Coronavirus outbreak.

SECTION 2. In accordance with Lakewood Municipal Code section 30.04.090, the City Council hereby approves the unbudgeted expenditure of not more than $96,669 for all purchases and programs related to the City’s Head Start program Coronavirus response, as authorized by the City Manager, in accordance with the requirements, guidance and limitations established by Department of Health and Human Service and the Office of Head Start, and without returning to City Council for further authorization.

SECTION 3. This ordinance shall take effect thirty (30) days after final publication.

SECTION 4. If any provision of this Ordinance should be found by a court of competent jurisdiction to be invalid, such invalidity shall not affect the remaining portions or applications of this Ordinance that can be given effect without the invalid portion, provided that such remaining portions or application of this Ordinance are not determined by the court to be inoperable.

I hereby attest and certify that the within and foregoing ordinance was introduced and read on first reading at a virtual regular meeting of the Lakewood City Council on the 10th day of August, 2020; published by title in the Denver Post and in full on the City of Lakewood’s website, www.lakewood.org, on the 13th day of August, 2020; set for public hearing to be held on the 24th day of August, 2020; read, finally passed and adopted by the City Council on the _____ day of August, 2020; and signed by the Mayor on the _____ day of August, 2020.

______________________________
Adam Paul, Mayor

ATTEST:

______________________________
Michele Millard, City Clerk

APPROVED AS TO FORM:

______________________________
Timothy P. Cox, City Attorney
**NOTICE OF AWARD**

1. **AWARDING OFFICE:**
   Office of Head Start

2. **ASSISTANCE TYPE:**
   Discretionary Grant

3. **AWARD NO.:**
   08CH011641-01-01

3a. **AMEND. NO.:**
   1

4. **FAIN:**
   08CH011641

5. **TYPE OF AWARD:**
   Service

6. **TYPE OF ACTION:**
   Supplement

7. **AWARD AUTHORITY:**
   42 USC 9801 ET SEQ.

8. **BUDGET PERIOD:**
   07/01/2020 THRU 06/30/2021

9. **PROJECT PERIOD:**
   07/01/2020 THRU 06/30/2025

10. **CFDA NO.:**
    93.600 - Head Start

11. **RECIPIENT ORGANIZATION:**
    LAKEWOOD, CITY OF
    480 S Allison Pkwy
    Lakewood, CO 80226-3123
    Grantee Authorizing Official: Adam Paul, Mayor

12. **PROJECT / PROGRAM TITLE:**
    Head Start and Early Head Start

13. **COUNTY:**
    Jefferson

14. **CONGR. DIST:**
    07

15. **PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR:**
    Sherry Scruggs Peterson
    Head Start Administrator

16. **APPROVED BUDGET:**

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<td><strong>Total Approved Budget</strong></td>
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17. **AWARD COMPUTATION:**

- **A. NON-FEDERAL SHARE:** $326,358.00 (18.88%)
- **B. FEDERAL SHARE:** $1,402,101.00 (81.12%)

18. **FEDERAL SHARE COMPUTATION:**

- **A. TOTAL FEDERAL SHARE:** $1,402,101.00
- **B. UNOBLIGATED BALANCE FEDERAL SHARE:** $0.00
- **C. FED. SHARE AWARDED THIS BUDGET PERIOD:** $1,305,432.00

19. **AMOUNT AWARDED THIS ACTION:**
    $96,669.00

20. **FEDERAL $ AWARDED THIS PROJECT PERIOD:**
    $1,402,101.00

21. **AUTHORIZED TREATMENT OF PROGRAM INCOME:**
    Additional Costs

22. **APPLICANT EIN:**
    840593908

23. **PAYEE EIN:**
    1840593908A1

24. **OBJECT CLASS:**
    41.51

25. **FINANCIAL INFORMATION:**

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26. **REMARKS:** (Continued on separate sheets)

27. **SIGNATURE - ACF GRANTS OFFICER**
    Jeffrey S Newton
    1961 Stout Street, Room 08-148
    Denver, CO 80294
    Phone: N/A

28. **ISSUE DATE:**
    07/14/2020

29. **SIGNATURE(S) CERTIFYING FUND AVAILABILITY**
    Ms. TaWanda Goodman
    07/14/2020

**DATE:**

Ms. Cheryl Lutz - Program Specialist - Head Start
07/14/2020
STANDARD TERMS

1. Paid by DHHS Payment Management System (PMS), see attached for payment information. This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award. This includes requirements in Parts I and II (available at http://www.hhs.gov/grants/grants/policies-regulations/index.html of the HHS GPS. Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 75, directly apply to this award apart from any coverage in the HHS GPS. This award is subject to requirements or limitations in any applicable Appropriations Act. This award is subject to the requirements of Section 106 (g) of the trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104).

For the full text of the award term, go to http://www.acf.hhs.gov/discretionary-post-award-requirements.

This award is subject to the Federal Financial Accountability and Transparency Act (FFATA or Transparency) of 2006 subaward and executive compensation reporting requirements. For the full text of the award term, go to http://www.acf.hhs.gov/discretionary-post-award-requirements.

This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and DATA Universal Number System (DUNS). For full text go to http://www.acf.hhs.gov/discretionary-post-award-requirements.

Consistent with 45 CFR 75.113, applicants and recipients must disclose in a timely manner, in writing to the HHS awarding agency, with a copy to the HHS Office of Inspector General (OIG), all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Subrecipients must disclose, in a timely manner, in writing to the prime recipient (pass through entity) and the HHS OIG, all information related to violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. Disclosures must be sent in writing to the awarding agency and to the HHS OIG at the following addresses:


AND

U.S. Department of Health and Human Services Office of Inspector General ATTN: Mandatory Grant Disclosures, Intake Coordinator 330 Independence Avenue, SW, Cohen Building Room 5527 Washington, DC 20201 Fax: (202) 205-0604 (Include “Mandatory Grant Disclosures” in subject line) or Email: MandatoryGranteeDisclosures@oig.hhs.gov

Failure to make required disclosures can result in any of the remedies described in 45 CFR75.371 Remedies for noncompliance, including suspension or debarment (See 2 CFR parts 180 & 376 and 31 U.S.C. 3321).

This award is subject to the requirements as set forth in 45 CFR Part 87. This award is subject to HHS regulations codified at 45 CFR Chapter XIII, Parts 1301, 1302, 1303, 1304 and 1305. Attached are terms and conditions, reporting requirements, and payment instructions. Initial expenditure of funds by the grantee constitutes acceptance of this award.
AWARD ATTACHMENTS

City of Lakewood

08CH011641-01-01

1. COVID-19 One Time Remarks
This grant action awards one-time funds under Common Accounting Number 0900 to prevent, prepare for and respond to coronavirus disease 2019 (COVID-19). COVID-19 funds can be used for costs incurred from January 20, 2020 in response to the public health emergency.

This grant action approves the purchase of equipment identified on the ‘Equipment’ object class category, if applicable.

This grant action approves a non-federal match waiver for the federal funds awarded for COVID-19, if applicable.
STAFF MEMO

DATE OF COUNCIL MEETING: JULY 27, 2020 / AGENDA ITEM NO. 6
CONTINUED TO: AUGUST 10, 2020 / AGENDA ITEM NO. 9

To: Mayor and City Council
From: Travis Parker, Director of Planning, 303-987-7908
Subject: 533 VAN GORDON STREET – ALLOCATION REQUEST

SUMMARY STATEMENT: The applicant, Brian Bulatovic, with Consolidated Investment Group, has submitted applications for review requesting 309 residential allocations and a 5-year banking plan for a multifamily residential project located at 533 Van Gordon Street. The property is zoned Mixed Use Residential Suburban (M-R-S) and approximately 3.6-acres in size.

BACKGROUND INFORMATION: On July 12, 2019, with voter approval, an ordinance went into effect to limit residential growth in the City of Lakewood. The ordinance, chapter 14.27 of the Municipal Code, is attached. In December of 2019, staff began implementation of this ordinance to manage issuance of residential building permits. Any development request of over 40 residential units must submit an allocation request to the City Council for approval.

On March 21, 2019, Consolidated Investment Group submitted a site plan application to the City for site and civil review. This site plan application, SP-19-008, is active and has received one round of review comments from City staff. Since March of 2019, the applicant has been determining how to move this project forward in the development review process.

Due to uncertainty with the proposed residential growth limitation ordinance in the first quarter of 2019, the applicant chose to suspend the city development review process. Now in determining next steps in the development review process, the applicant has chosen to submit a request for residential allocations and a banking plan prior to continuing with the development review process. The applicant is requesting that City Council review and make a determination on both the allocation and banking plan application requests.

The applicant has submitted applications for an over 40 residential allocation project and a banking plan with a duration of 5 years. Section 14.27.040.B (Maximum Allocations) outlines the review measures to be met when requesting more than 40 allocations.

17.27.040.B Maximum Allocations. The city shall not grant more than forty (40) allocations to a development in a calendar year except upon a finding after hearings held upon reasonable notice to the public - pursuant to the provisions of Lakewood municipal code 17.2.2.3 applicable to initial zoning and rezoning - that such accumulation of allocations will not prejudice the allocation process; and:

1. That there is an unmet community need for such development; or
2. That insufficient applications have been submitted to exhaust the allocations available and such allocations are available for distribution in the current calendar year.
Project will not prejudice the allocation process

As part of their allocation and banking plan request, the applicant is proposing to limit the number of allocations requested in a calendar year to 78 residential allocations as to not prejudice the allocation process. This proposal allows the allocation request to be fulfilled in a period of 4 years, and provides an additional year to fulfill the allocation request, if 4 years is insufficient. This proposal would allow for the full accumulation of allocations within the scope of the proposed 5-year banking plan and leave sufficient allocations for future residential development projects.

Based on the formula for creating allocations and future actions proposed by City Council in January 2020, there will most likely be over 400 allocations available each of the coming two years and around 700 each of the following three years. The applicant’s request for 78 per year would not take priority over any other applications in the coming years and in general is not expected to make the overall amount requested exceed the amount that will be available.

There is an unmet need for such development

The 2017 City of Lakewood Housing Study recognizes the need for residential growth in Lakewood. Specifically, the housing study identifies that employment growth is strong and housing growth is not proportional to employment growth. Many Lakewood residents are commuting to and from places of employment. The study also recognizes that economic growth in Lakewood is an added factor in driving the need for residential growth. Overall, the study finds that there is a current demand for over 15,000 new residential units near transit in Lakewood. This site is less than a half mile from the light rail station.

The housing inventory of the report further identifies that the number of housing developments built in Lakewood number less 50 units per development and a majority of the existing housing stock was constructed prior to 1980. Additionally, the report depicts that residential vacancy rates in Lakewood are below average for the Metropolitan Statistical Area.

Based upon the applicant request for 78 allocations per year, the information contained in the 2017 City of Lakewood Housing Study, and number of allocations remaining for 2020, of which there are 193 (# SUBJECT TO CHANGE), staff finds that the measures in the Residential Growth Limitations Ordinance have been met and that:

1. The accumulation of allocations shall not prejudice the allocation process; and
2. That there is an unmet community need for such development.

BUDGETARY IMPACTS: All required public improvements will be constructed with the project, at the expense of the developer.

STAFF RECOMMENDATIONS: Staff recommends approval because the proposed allocation and banking plan requests satisfy the review criteria.

ALTERNATIVES: The City Council may approve or deny the allocation and banking plan requests. More specifically, the City Council may approve the allocation and banking plan requests because the Council agrees with the findings of the provided in this staff report. Also, the City Council may have additional reasons why the application satisfies the review criteria.
Or, the City Council may deny the allocation and banking plan requests based on a determination that the requests do not satisfy the review criteria. More specifically, the City Council may find evidence that the allocation and banking plan requests do not meet an unmet community need.

**PUBLIC OUTREACH:** As required by the Zoning Ordinance, a public hearing has been scheduled before the City Council on July 27, 2020. Notice was provided to meet the standards of Section 17.2.2.3 of the zoning ordinance including letters mailed to property owners within 500 feet and to neighborhood organizations within ½ mile of the subject property.

**NEXT STEPS:** If the allocation request is approved, the applicant may begin requesting allocations in the years 2020, 2021, 2022, 2023, and 2024 to obtain the number of allocations required for the multifamily project. At their own risk, the applicant may also begin site and civil plan review at any time during the 5-year banking plan. Once allocations have been acquired and all reviews completed the applicant may be issued an approved building permit.

**ATTACHMENTS:**
- Resolution 2020-23
- Lakewood Municipal Code 14.27
- 2017 – City of Lakewood Housing Study
- First Quarter City Council Allocation Report

**REVIEWED BY:**
- Kathleen E. Hodgson, City Manager
- Benjamin B. Goldstein, Deputy City Manager
- Timothy P. Cox, City Attorney
A RESOLUTION

AUTHORIZING ALLOCATIONS FOR 533 VAN GORDON STREET, LAKEWOOD, CO 80228

WHEREAS, Van Gordon Associates LLC, a limited liability company (the “Owner”) owns the property known as 533 Van Gordon, Lakewood, CO; and Consolidated Investment Group (the “Developer”) is seeking to develop the property, approximately 3.6-acres, more or less;

WHEREAS, the Property is currently zoned Mixed Use Residential Suburban (M-R-S);

WHEREAS, the Developer is requesting approval of 309 residential allocations and a five-year banking plan;

WHEREAS, Section 14.27.040.B specifies that Proposed Projects over 40 residential units require approval of allocations and a banking plan;

WHEREAS, the Developer desires to ensure that the Proposed Project is built and desires to develop the property according to the present zoning;

WHEREAS, the Developer will request no more than 78 allocations per year over a five-year period for the calendar years 2020, 2021, 2022, 2023, and 2024;

WHEREAS, the Developer and the City wish to enter into an Agreement to ensure the Property is developed as the Proposed Project; and

WHEREAS, the Parties agree that the rights and obligations of the Parties to such Agreement will be binding on each of the Parties’ successors, assigns, and heirs.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lakewood, Colorado, that:

SECTION 1. The allocation request of 309 allocations and a 5-year banking plan for 355 Van Gordon Street, Lakewood, Colorado 80228 is hereby approved.

SECTION 2. The allocation and banking plan request shall be recorded by the City.

SECTION 3. This Resolution shall become effective immediately upon adoption.
INTRODUCED, READ AND ADOPTED by a vote of ____ for and ____ against at a virtual regular meeting of the Lakewood City Council held on July 27, 2020, at 7 o’clock p.m.

___________________________
Adam Paul, Mayor

ATTEST:

___________________________
Michele Millard, City Clerk

APPROVED AS TO FORM:

___________________________
Timothy P. Cox, City Attorney
Chapter 14.27

RESIDENTIAL GROWTH LIMITATIONS

Sections:
14.27.010 Purpose/Intent.
14.27.020 Implementation/Exceptions.
14.27.030 Administration of this Chapter.
14.27.040 General Provisions.
14.27.050 Available Allocations.
14.27.060 Establishment of Allocation Pools.
14.27.070 Schedule of Allocation Periods.
14.27.080 Applications.
14.27.090 Issuance of Allocations.
14.27.100 Banking of Allocations.
14.27.110 Excess and Unused Allocations.
14.27.120 Failure to Use Allocations; Penalties.
14.27.130 Building Permit Approvals.
14.27.140 Mandatory Review.
14.27.150 Severability Clause.
14.27.160 Authority to Continue.
14.27.170 Definitions.

14.27.010 Purpose/Intent.
A. Establish a building permit management system that limits residential growth in the City of Lakewood to no greater than one (1) percent per annum, which will assure the preservation of its unique environment and exceptional quality of life;
B. Encourage redevelopment of blighted and distressed areas;
C. Encourage preservation of larger open space parcels;
D. Assure that such growth proceeds in an orderly and timely manner and does not exceed the availability of public facilities and urban services;
E. Avoid degradation in air and water quality;
F. Avoid increases in crime and urban decay associated with unmanaged growth;
G. To allow mitigation of the effects of past and future growth on infrastructure and schools.
(Citizen Initiative-Special Election 07-02-2019).

14.27.020 Implementation/Exceptions.
The provisions of this chapter shall apply to the issuance of building permits for all new dwelling units within the City of Lakewood except:
A. Structures located, or to be located, upon land that is designated “blighted.”
B. Structures located, or to be located, upon land located on a campus owned by a college or university, including, but not limited to, Colorado Christian University and Rocky Mountain College of Art and Design, and which are used to house only college or university students, staff, or faculty.
C. A dwelling unit may be replaced with another dwelling unit without obtaining an allocation, provided that the replacement unit is located on the same parcel, tract, or lot.
D. Mobile homes in operating mobile home parks may be removed and replaced with another mobile home without obtaining an allocation.
E. Industrial or commercial construction, unless such industrial or commercial construction includes structures which, in whole or in part, are to be occupied as a dwelling. (Citizen Initiative-Special Election 07-02-2019).

14.27.030 Administration of this Chapter.
   A. Planning Commission may recommend and City Council may adopt rules as necessary to administer this chapter.
   B. Calculations performed in the administration of this chapter shall be rounded downward for all partial numbers. (Citizen Initiative-Special Election 07-02-2019).

14.27.040 General Provisions.
   A system of managing the issuance of residential building permits in the city is established with the following general provisions:
   A. Allocation Required for a Building Permit. Except as otherwise provided in this chapter, an allocation is required as a condition precedent to the issuance of a building permit which will result in the creation of a new dwelling unit. For structures containing more than one dwelling unit, one allocation for each dwelling unit in the structure is required as a condition precedent to issuance of a building permit for such structure.
   B. Maximum Allocations. The city shall not grant more than forty (40) allocations to a development in a calendar year except upon a finding after hearings held upon reasonable notice to the public pursuant to the provisions of Lakewood municipal code 17.2.2.3 applicable to initial zoning and rezoning - that such accumulation of allocations will not prejudice the allocation process; and:
      1. That there is an unmet community need for such development; or
      2. That insufficient applications have been submitted to exhaust the allocations available and such allocations are available for distribution in the current calendar year.
   C. Residential development projects may be specifically exempted from this chapter according to either of the following procedures:
      1. Residential developments may be exempted by the adoption by the electors of the City of Lakewood at a regular or special election of an initiated or referred ordinance enacting such an exemption. Such election shall be held according to the applicable provisions of the Lakewood City Charter, with any expenses covered by the applicant requesting the exemption.
      2. City Council may upon a finding of compliance with the below-listed criteria grant an exemption from the specific provisions of this chapter for a residential development within the city. City Council’s action shall be by ordinance, shall include two public hearings, and shall occur following public hearing and recommendation by Planning Commission. Planning Commission’s hearing and recommendation, and City Council’s hearing and decision on the requested exemption shall follow the hearing and notice procedures in section 17.2.2.3 of Lakewood municipal code. City Council may grant an exemption from the provisions of this chapter upon a finding that all of the following criteria, as may be applicable, are met:
         a. That the residential project requesting an exemption is a multifamily "senior housing project" which is and will remain housing for individuals over the age of 55; and
         b. That the project requesting an exemption demonstrates compliance with Lakewood Comprehensive Plan and any applicable neighborhood plan(s); and
c. A senior housing project developed based upon an exemption granted shall not be converted to another residential use without first having secured an allocation for each dwelling to be so converted, according to the provisions of this chapter.

D. **Period of Validity.** Allocations are only valid and can be used only from the date of issue through the last day of the allocation period for which they are issued, at which time they expire, unless a part of an approved banking plan.

E. **Use of Allocations.** An allocation is used by applying for and being issued a building permit or setting up a mobile home, as applicable. Unused allocations are those for which a building permit has not been issued, or a mobile home not set up, during the period for which the allocation is valid.

F. **Surrender of Allocations.** Allocations which a recipient does not expect to use during the period for which they are valid may be voluntarily surrendered without penalty at any time up until 30 days prior to the end of that allocation period. Allocations which are surrendered at least 30 days prior to the expiration of the allocation period shall be added to the number of available allocations for the next allocation period in the same calendar year for the same allocation pool, or to the year-end pool, as appropriate. Allocations in the year end pool may not be surrendered.

G. **Transferability.** Allocations are site specific and not transferable to other developments. Allocations are issued to a specific building lot, and may only be transferred within a development to other lots which are under the same ownership as the holder of the allocation. Allocations may be transferred with the conveyance of a lot. (Citizen Initiative-Special Election 07-02-2019).

### 14.27.050 Available Allocations.

A. In January of each year City Council shall determine by resolution the number of allocations which will be available for issuance and use during that year. The annual resolution shall assign a sufficient number of allocations directly for satisfaction of a previously exempted project(s) whose banking plan(s) included a Planning Commission recommendation for commitment of future allocations, if City Council approves such commitment. The resolution shall then assign those remaining available allocations to the “open pool,” “hardship pool,” “affordable/low income pool,” and “surplus pool,” and determine the number of allocations within each such pool as will be available for the respective allocation periods.

B. The total number of allocations available for issuance and use during each calendar year shall be equal to one percent of the number of dwelling units which are estimated to exist in the city on December 31 of the prior calendar year. The number of allocations available for issuance for 2018 will be based on figures from the City of Lakewood and the US Census statistics (152,590 residents divided by 2.27 = 67,220) and thus 672 allocations for new dwelling units will be available in 2018.

C. The number of dwelling units which exist in the city on December 31 of the prior year shall be estimated as follows:

1. Begin with the number of dwelling units in the city which existed at the beginning of the previous calendar year.
2. Add the number of new dwelling units for which building permits were issued during the previous calendar year which required an allocation for issuance.
3. Add the number of allocations secured by, or assigned to, previously exempted projects or dwellings during the previous calendar year.
4. Add the number of dwelling units added to the city by reason of annexations during the previous calendar year. (Citizen Initiative-Special Election 07-02-2019).

5. Subtract the number of dwelling units which were destroyed (and not replaced within 12 months), abandoned or otherwise ceased to be used as such during the prior calendar year.

6. Subtract the number of dwelling units for which building permits had previously been issued, but which expired in the previous year without issuance of a certificate of occupancy. (Citizen Initiative-Special Election 07-02-2019).

14.27.060 Establishment of Allocation Pools.
For the purpose of administration of this chapter City Council hereby creates the following described allocation pools:

A. Open Pool. The open pool is created for all developments within the city that do not otherwise qualify to request allocations.

B. Hardship Pool. The hardship pool is created for distribution of allocations by City Council upon a finding that a hardship or unusual circumstance exists which merits relief. All developments otherwise eligible to apply for allocation in general may participate in the hardship pool. Allocations are awarded as requests are granted by City Council, and not as of a specified allocation date.

C. Affordable/Low Income Housing Pool. The affordable/lower income housing pool is created for distribution of allocations for residential projects creating dwelling units for households earning up to 120 percent of area median income.

D. Surplus Pool. The year-end pool is created for the purpose of distributing unused and excess allocations which are available as of November 1 of each calendar year. All developments otherwise eligible to apply for allocation in general may participate in the surplus pool. (Citizen Initiative-Special Election 07-02-2019).

14.27.070 Schedule of Allocation Periods.

A. For all calendar years, the open pool will have two allocation periods which occur from January 1 through May 31, and from June 1 through October 31.

B. For all calendar years, the hardship pool will have an allocation period from January 1 to October 31.

C. For all calendar years, the affordable/lower income housing pool will have one allocation period from January 1 through May 31. Excess allocations in the pool at the conclusion of the allocation period will be transferred to the open pool for the allocation period beginning on June 1.

D. The surplus pool allocation period will occur from November 1 through December 31. (Citizen Initiative-Special Election 07-02-2019).

14.27.080 Applications.

A. Applications for allocations shall be on a form provided by the city. A separate application submitted by the property owner is required for each allocation period. Except as provided otherwise, complete applications must be submitted to the city at least seven calendar days prior to the beginning of the allocation period for which the application is made. Applications may not be submitted more than 210 days before the beginning of the applicable allocation period. Applications for excess allocations may be made at any time that excess allocations are available, but prior to the last 30 calendar days of any allocation period.

B. Eligibility. To apply for allocations, a development must have completed all steps otherwise necessary to apply for and receive a building permit including the requisite zoning
and subdivision approval, but not including the preparation of building construction plans. Site development review, if necessary, need not be complete prior to applying for allocations, although a pre-submittal conference and review of the site plan by staff must be completed, with an indication that approval of the concept may be achieved.

C. Allocation requests within a development under common ownership shall be combined and treated as a single application. Lots in such developments which are held in separate ownership shall be treated as separate applications.

D. No applicant shall request allocations in excess of the lesser of: The available number of allocations in the appropriate pool in that allocation period, or the available number of lots or units in the subject development. (Citizen Initiative-Special Election 07-02-2019).

14.27.090 Issuance of Allocations.

A. Open Pool. For each respective allocation period in the open pool, one allocation will automatically be issued to each applicant if sufficient allocations are available. The remainder of requests is then tallied, and available allocations are distributed on a pro-rata basis to applicants based upon their requested number.

B. Hardship Pool. Hardship pool allocations are distributed by the City Council at their discretion upon request from an applicant, and subject to a finding that all of the following conditions exist:
   1. That the issuance of an allocation is necessary to prevent undue hardship on the applicant; and
   2. That the issuance of an allocation(s) will not adversely affect the public interest or the purposes of this chapter; and
   3. Allocations are available in the hardship pool; and
   4. That the requested allocation and the resulting building permit would be proper and in accordance with all of the ordinances and regulations of the City of Lakewood, excepting the provisions of this chapter.

C. Affordable/Low Income Housing Pool. Allocations assigned to the “affordable/low income” housing pool shall only be available for use by qualifying projects in the initial allocation period of each year. Any excess allocations in the affordable/low income housing pool at the end of the initial allocation period of the year will be transferred to the open pool for distribution pursuant to subsection (A) above.
   1. In addition to the application requirements, allocations from the affordable/low income housing pool will contain documentation in a form acceptable to the city attorney of the provisions that will be put in place to assure that rental units created by affordable/low income housing pool allocations will remain available to households making up to 120 percent of area median income for a period of at least 15 years after completion of construction, or assurances that the initial sale of the dwelling units created by the affordable/low income housing pool allocations will be by a bona fide, “arms-length sale” to individual households making no more than 120 percent of area median income, and at an initial sales price that is reasonably calculated to allow an otherwise qualified buyer to obtain a loan for the purchase of the dwelling unit with a down payment of no more than 20 percent of the sale price.
   2. If the number of affordable/low income housing pool allocations requested does not exceed the number assigned by City Council, the allocations will be distributed in the same manner as the open pool. However, if the number of allocations requested exceeds the number of allocations available in the affordable/low income housing pool, the allocations will be presented to Planning Commission for review. The Planning Commission will award the affordable/low income housing pool allocations to those proposed dwelling units serving the households with the lowest area median income. In such circumstances, no building permit
shall be issued based upon any preference pool allocations until 16 days after the Planning Commission has issued a decision. Any aggrieved party may appeal the Planning Commission decision to City Council. Applicants for allocations from the affordable/low income housing pool may amend the application submitted to change from the affordable/low housing pool to the open pool, at any time prior to the beginning of the allocation period.

D. **Surplus Pool.** All unused open pool and hardship pool allocations which remain on November 1 of each year will be available in the surplus allocation pool. One allocation will automatically be issued to each applicant if sufficient allocations are available. The remainder of requests is then tallied, and available allocations are distributed on a pro rata basis to applicants based upon their requested number. Allocations which are unclaimed during the surplus pool or which are due to expire will be assigned by the City Council. Acquisition of the final remaining allocation by a banking plan for a specific project during the surplus pool shall trigger the expiration of the banking plan at the end of the first allocation period in the following year.

E. **Insufficient Allocations.** Except as noted above, if there are insufficient allocations available to issue at least one allocation to each applicant for a particular allocation period due to demand, a lottery shall be held to determine the recipients of the allocations. Those applicants who are unable to obtain an allocation during that particular allocation period will be given first preference to receive an allocation in the following allocation period in the same pool if a timely application is filed.

F. Following the issuance of allocations, staff shall present a report to Planning Commission and City Council summarizing the results of the allocation period. (Citizen Initiative-Special Election 07-02-2019).

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**14.27.100 Banking of Allocations.**

Notwithstanding any other provisions of this chapter, the period of validity of an allocation may be extended through, and the allocation may be used in subsequent allocation periods upon approval by the city as provided in this section. The process of extending the period of validity of allocations in this section is as follows:

A. Banking of allocations will be permitted in the following circumstances only:

1. The Director of Planning shall approve an application for banking of allocations for residential projects of forty (40) units or fewer if the number of units to be banked corresponds to that found in an entire building or buildings in the project, and if the allocations are proposed to be used within the same calendar year as the initial award of allocation.

2. The Planning Commission may approve a banking plan for multifamily projects of forty (40) units or fewer for the purpose of banking beyond the end of a calendar year, upon a finding that building configuration, site constraints, or infrastructure phasing reasonably require that a larger increment of the development be built at one time.

3. The Planning Commission may approve a banking plan for residential projects of forty (40) units or fewer upon a finding that building configuration, site constraints, or infrastructure phasing reasonably require that a larger increment of the development be built at one time.

B. Application for banking of allocations for projects over forty (40) units shall be made at the time of the allocation application. The application shall set forth a banking plan which includes the total number of dwelling units in the project, the number of allocations sought to be banked, the time period during which the validity of allocations is proposed for extension, and the reason therefore.
C. For applications submitted under subsection (A)(2) or (A)(3) of this section, the Planning Commission shall determine at a hearing upon reasonable notice to the public has been posted, whether the requested banking is appropriate as provided in this section.

D. A nonrefundable fee shall be assessed in conjunction with each approved multiyear banking plan to cover the city’s cost of the administrating banking plans. The fee shall be set by City Council by resolution and shall be based upon the number of dwelling units in the approved banking plan. The fee shall be payable on a pro rata (per unit) basis at the time of distribution of allocations to the banking plan. Failure to pay any installment of the fee within 30 days of distribution of allocations to the banking plan shall cause a forfeiture of such allocations.

E. A decision of the Planning Commission or the Director of Planning with respect to an application to bank allocations may be appealed to the City Council.

F. Requests for banking of allocations beyond the end of the calendar year of the application shall be subject to the following conditions:
   1. The maximum number of years in which allocations may be acquired pursuant to any banking plan of allocations shall be five. All allocations acquired within the banking period must be used during this time period.
   2. The maximum number of allocations that may be in the bank at any one time during the banking program shall not exceed the total number of allocations available in the city in the first year of approval of said banking.
   3. Banking plans will be approved only for a number of units which correspond to that found in an entire building or buildings in the project.
   4. Subject to City Council’s annual distribution of allocations, Planning Commission may recommend a commitment of future allocations to an approved banking plan project. Such commitment shall not bind City Council’s action, but shall serve to be an indication of support for a specific project.

G. Surrendered or forfeited allocations distributed to an approved banking plan from calendar years prior to the year during which they are surrendered or forfeited shall be deemed to have expired and shall not be available for distribution. Surrendered or forfeited allocations distributed to an approved banking plan in the same calendar year in which they are surrendered or forfeited shall be made available for redistribution in accordance with the applicable provisions of this chapter.

H. The Planning Commission, may, upon a show of good cause, approve an extension of up to one year to an existing banking plan, to allow use of the banked allocations. The holder of the allocations may not acquire further allocations during the period of such extension.

I. For the purpose of defining the total number of available allocations, the total number of dwelling units in the city shall not include banked allocations which have not received building permits.

J. An applicant banking allocations within the same calendar year, shall notify the Director of Planning in writing within ten days after the allocations are granted of the number of allocations being banked and the reasons therefore.

K. The annual reports to Planning Commission and City Council pertaining to the administration of this chapter shall include information regarding the number of banked allocations approved in the current year, used in the current year, and the total number of banked allocations by individual project.

L. Approval of a “banking plan” shall not constitute a “vested right” to develop the project.

(Citizen Initiative-Special Election 07-02-2019)
14.27.110 Excess and Unused Allocations.
   A. Excess allocations in the open pools will be used to supplement other approved banking plans.
   B. Excess allocations which have not been issued at the end of the allocation period and unused allocations will be added to the available number of allocations for the next allocation period in the same calendar year for the same pool, or to the surplus pool, as appropriate. (Citizen Initiative-Special Election 07-02-2019).

14.27.120 Failure to Use Allocations; Penalties.
   A. Failure to use an allocation which is not part of an approved banking plan during the period for which it is issued, without surrendering it at least 30 days prior to the expiration of the allocation period for which it has been issued, shall cause the holder of such allocation to be ineligible to receive allocations for a period of one year from the last day that the unused allocation is valid. This penalty may be waived by the Planning Commission for good cause.
   B. Failure to use an allocation which is part of an approved banking plan during the period of the banking plan, without surrendering it at least 60 days prior to the expiration of the period of the banking plan, shall cause the holder of such allocation to be ineligible to receive allocations for a period of two years from the last day that the unused allocation is valid. This penalty may be waived by the Planning Commission for good cause.
   C. Use of an dwelling unit constructed by reason of an allocation from the affordable/low income housing pool in a manner inconsistent with the affordability criteria listed in this chapter, or contrary to the assurances provided pursuant to such section, including, without limitation the initial sale of a dwelling unit at a price that exceeds the maximum price contemplated in such section, shall cause the holder of such allocation to be ineligible to receive further allocations for a period of three years from the date of the violation. This penalty may be waived by the Planning Commission for good cause. (Citizen Initiative-Special Election 07-02-2019).

14.27.130 Building Permit Approvals.
   All building permit applications will be reviewed within fifteen working days after submission of a complete application. At the end of the building permit review period, either a building permit will be made available for issuance or reasons will be given to the grantee why the permit cannot be issued, in which case the grantee has twenty work days in which to submit all required corrections. If the corrections are not completed in the time and manner required, the building permit application and related allocation are void unless reinstated by the city manager upon a finding that a longer increment of time would be reasonable. (Citizen Initiative-Special Election 07-02-2019).

14.27.140 Mandatory Review.
   City Council shall review this chapter once every five years or as needed. City Council may temporarily reduce the 1% limit at will. Should City Council determine an increase in allocations is needed, Council must send such requested increase to the voters of Lakewood. (Citizen Initiative-Special Election 07-02-2019).

14.27.150 Severability Clause.
   If any part, section, sentence or clause of this chapter shall for any reason be questioned in any court and shall be adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this chapter. Any such part, section, sentence
or clause shall not be taken to affect or prejudice in any way the remaining part or parts of this chapter. (Citizen Initiative-Special Election 07-02-2019).

14.27.160 Authority to Continue.
Any building permit that has gone through the processes necessary to secure a building permit, including, but not limited to, rezoning and subdivision, and was legally and formally applied for prior to adoption of this chapter, may be continued without obtaining an allocation. (Citizen Initiative-Special Election 07-02-2019).

14.27.170 Definitions.
The following terms are defined for purposes of this chapter:

A. Allocation. “Allocation” means a right, granted by the city pursuant to this chapter, to make application for a building permit to build one dwelling unit. An allocation is not a guarantee of receiving approval for a building permit. Approval of the building permit itself will occur through the established building permit review process.

B. Allocation Pools. “Allocation pools” mean separate categories of developments as described in this chapter which are created for the purpose of distributing available allocations.

C. Area Median Income. “Area median income” (AMI) means the median annual household income for Jefferson County, as adjusted by household size, and published annually by the United States Department of Housing and Urban Development.


• Building permits shall be allocated in accordance with the provisions of this chapter such that those issued shall result in no more than a one-percent annual increase in the number of dwelling units.

E. Development. “Development” means the entire plan to construct or place one or more dwelling units on a particular parcel or contiguous parcels of land within the city including, but not limited to, a subdivision approval, a planned unit development, and a mobile home park.

F. Dwelling Unit. One or more habitable rooms constituting a unit for permanent occupancy, with facilities for eating, sleeping, bathing, that occupies a structure or a portion of a structure.

G. Excess Allocations. “Excess allocations” means allocations which are available for issuance from a particular allocation pool and period, but which have not been issued by reason of lack of demand.

H. Good Cause. “Good cause,” when used as a basis for relief from timely compliance with specifically referenced provisions of this chapter, means the existence of unanticipated circumstances which are beyond the control of the property owner and which prevented timely compliance with the referenced provisions of this chapter. “Good cause” shall not include delays which are reasonably expected in the development process, including, but not limited to, preparation of plans or a securing of financing. The existence of “good cause”, and availability of relief by reason thereof, shall be determined after a public hearing conducted by the Planning Commission. A party aggrieved by the decision of the Planning Commission on such issue may, within 15 days of the date of the decision thereon by the Planning Commission, apply to the City Council for a review of said decision by filing a request for review with the city clerk. The City Council shall, within 30 days of receipt of the review request, and based upon the record alone as certified to Council by the Planning Commission, decide to uphold, deny, or modify the decision of the Planning Commission.
I. **Lottery.** “Lottery” shall mean a drawing held by the city to select applicants which will receive an allocation through a process based upon random chance. Each applicant in a lottery shall be treated equally regardless of the number of allocation requests.

J. **Pro-rata.** “Pro-rata” means the issuing of allocations to applicants in the same proportion that the total number of available allocations bears to the total number of requested allocations, as modified and elaborated in this chapter. For example, if applications for twice the number of allocations were received than the number available, each applicant would be granted approximately one-half the number requested.

K. **Set-up.** “Set-up”, when used in connection with mobile homes, means the process of setting up a mobile home for the purpose of occupancy as a residence including by way of example, connection to utilities and installation tie-downs.

L. **Unused Allocation.** “Unused allocation” means an allocation which has been issued but for which a building permit has not been issued or a mobile home set-up, as applicable, during the period for which the allocation is valid. (Citizen Initiative-Special Election 07-02-2019).
DRAFT Report

City of Lakewood
Housing Study

Prepared for:
City of Lakewood
Economic Development Department

Prepared by:
Economic & Planning Systems, Inc.

with

RRC
ASSOCIATES

August 28, 2017

EPS #163063
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1. EXECUTIVE SUMMARY

Introduction and Background

The metro area is quite fortunate to be surrounded by such an attractive natural environment, offering high quality of life, ideal climate, and a multitude of recreational opportunities. Because of these natural assets, the economy is strong and growing with little unemployment. Local and regional investments in major transportation infrastructure have contributed to making it a desirable place to live. These patterns of demand have most recognizably benefitted downtown Denver, but demand and revitalization pressures are pushing their way quickly into the first ring cities like Lakewood, Aurora, Arvada, and Wheat Ridge.

Housing is a critical component of not only the built environment, but of our regional economic infrastructure; that is, housing is not just an aesthetic but an economic concern. It is a critical component of individual and household investment, where nearly 50 percent of nationwide capital is tied to housing. Optimally located housing supply supports workforce mobility and productivity, whereas under-supply leads to increased transportation costs, decreased worker productivity and lower quality of life. Over-spending on housing, for example, leads to cost-burden, leading to lower quality of life. And because housing also supports workforce mobility, if housing is spread too far apart, or not available in sufficient supply to meet demand, workers and residents spend more of their income on transportation just to commute to work or for ordinary purposes (shopping, dining, etc.) One or both of these set of conditions can easily lead to diminished quality of life and negatively impact economic development efforts.

Purpose

The overarching question of this study is whether or not Lakewood’s housing supply is meeting the demands of its current residents and whether or not it is likely to meet the demands of future residents.

This analysis, led by Economic & Planning Systems’ (EPS) with RRC Associates, has attempted to illustrate that housing is defined much more than by its physical features, but defined rather (and more appropriately) by its context – neighborhoods, transit access, and the larger community. The analysis has also sought to underscore the connection between economic development efforts, the growth in the City’s economy, and the availability of a diversity of housing options in amenitized and transit-proximate neighborhoods for all spectrums of the workforce and population. That is, meeting demand means more than building houses, it means creating a sense of place for a range of residents and workers throughout their different life stages.

Whereas housing supply facilitates workforce availability and thus economic development, transportation access facilitates both quality of life and workforce productivity. The following report is intended to piece together the narrative formed by pieces of analysis. Guiding the analysis are a series of objectives and questions:


**Study Questions**

The underlying questions are both objective and subjective. Answers are intended to come neither fully from the analysis nor fully from the consultant; rather, answers to objective questions are intended to come from the analysis and answers to subjective questions are intended to come from a combination of EPS’s interpretations and perspectives as well as the perspectives of City’s leaders.

- What role does variety of housing stock play in economic development?
- How adequate is the city’s mix of housing for changing demand?
  - What are the potential impacts of a homogeneous housing stock?
- Is the supply situated in desirable neighborhoods?
- What are households looking for in housing, neighborhoods, and community?
- What does it mean to have a vibrant community with respect to housing?
  - Does it include infrastructure investment?
  - Does it allow for aging in place?
  - Does it make room for all generations?
- What is a city’s purview with respect to these issues/questions?
- Is there enough development capacity remaining to meet demand yet to come?

**Summary of Findings**

This summary highlights the major findings of the research, analysis, and process that address the questions at the heart of the City’s relevant housing questions, as outlined previously in the Introduction section. The findings are also delineated by chapter for clarity: Demand-Side Analysis, Supply-Side Analysis, and Stated Preferences.

**Chapter 2: Demand-Side Analysis**

Housing market growth typically responds to a variety of conditions, primarily employment and/or net-positive population growth (or household formation). At the heart of employment growth is the effort made by a city to attract, retain, and grow its business community. In an environment like the Denver MSA, however, there is also demand from population growth that sometimes continues without an underlying economic engine, as described below.

The question guiding the analysis of demand conditions and influences is “where is demand coming from?” The findings below represent highlights of the findings that are intended to shed light on the different angles from which this question can be interpreted: Is there demand at all? What is the demographic composition of it? That is, from what types of households?

1. **The MSA is growing...**

   Trends indicate that the MSA has been experiencing high rates of employment and population growth. Between 2000 and 2015, the MSA added more than 260,000 jobs (see the discussion of Figure 1 on page 14) and more than 660,000 people (see the discussion for Figure 10 on page 27). From a historic perspective, this is strong growth. Over the past 45 years, average annual employment growth has been approximately 23,200 jobs, whereas over the past seven years growth has averaged nearly 45,000 jobs per year. In terms of
population, the MSA has historically (over the past 45 years) added approximately 40,400 people per year (see Figure 8 on page 25), and in the last seven years it has averaged 60,700 per year. A further illustration of this attractiveness—during the two years following the Great Recession (2009 and 2010), the MSA endured a job loss of approximately 78,000 (see Figure 3 on page 16), but still added 39,000 people (see Figure 10 on page 27).

Moreover, Colorado has gained national attention for its encouragement of entrepreneurial, high-tech, and professional and technical industries (see the Business-Friendly Environment section on page 21), and job growth in the professional and technical services industry is emblematic of this success (Table 1 on page 17).

...so, what does this mean? This means that the MSA is experiencing historically high employment growth right now, a positive sign for the economic health of the region, good for existing and new businesses. Good because existing businesses (e.g. retailers) have a growing demand base either from business-to-business transactions or from individuals demanding their products and services. Good for those entering the workforce, because unlike some other parts of the country (or even state), job growth and business expansion means economic opportunity. Good for the provision of City services (e.g. police, fire, schools, parks, etc.), because it means that there are users to pay fees and property owners and households to pay property and sales taxes. In general, it is a sign of positivity, strength, and economic health that residents should applaud, because it means that the “system” can run smoothly and there are enough people “paying the way”.

2. ...but Lakewood is not growing proportionately.

On one hand, Lakewood’s employment growth is strong, but its population and housing growth has not been proportional. On the positive side, Lakewood’s employment has been growing relatively strong compared to the MSA (see discussion around Figure 2 on page 15), accounting for an average of 5 percent of the MSA’s overall employment growth (see discussion around Figure 4 on page 16). In total, the City has added nearly 15,900 jobs between 2001 and 2016. The City’s top-performing industries have been educational services, manufacturing, health care, retail, professional/technical services, and accommodations, which have collectively added 15,200 jobs, or 85 percent of all the City’s positive growth (see Industry Mix discussion beginning on page 17). On the other hand, the City’s population grew by just 8,600 people between 2000 and 2015 (see discussion around Figure 9 on page 26), accounting for an average of just 1 percent of the MSA’s average annual population increase (see the discussion around Figure 11 on page 27).

...so, what does this mean? It means that Lakewood has only been a beneficiary of one side of the regional economic growth. On one side are the direct benefits of this growth, i.e. the earnings and wages, income, property and sales taxes1 that are generated by these businesses. On the other side, i.e. the side of the population, where a vast majority of the household expenditure potential from these new wages is not taking place in Lakewood (i.e. a daytime population does spend on eating out and a portion may be stopping for groceries

---

1 Not all industries generate direct sales taxes. For example, retail and accommodations generate sales taxes directly, but educational services, management, or professional/technical services do not typically generate sales taxes. There are some industries, such as those in Lakewood that are its top-performing sectors, such as manufacturing, that may only generate sales taxes indirectly, i.e. after selling their products to a wholesaler, they are then sold to a consumer (business or individual) who pays sales taxes at the point of sale, which may or may not be Lakewood.
or other general merchandise on their commute to or from work, but a study of Denver’s retail sales conditions in 2013 documented that just 10 percent of all retail sales taxes collected by the City were generated by its workers)\(^2\), and the property taxes they pay for their homes also is not benefitting Lakewood.

3. **While a majority of net new job-holders and population in the MSA and City have been Millennials and those born after 2001, there are significant increases in the population of those over 55.**

There are two ways to interpret this shift: one is from a “generational” perspective and the other is from a perspective of purely age categories. From the generational perspective, in terms of employment at the MSA level (data with this level of granularity were not available for the City), 90 percent of the net positive increase in jobs were taken by Millennials (see Figure 5 on page 19). In terms of population change, approximately 25 percent (at the MSA and City levels) of the net positive increase came from Millennials. From a purely age perspective, approximately 45 percent of the MSA’s new population was between the ages of 50 and 70. In Lakewood, nearly 55 percent of the net positive population change came from the same age group.

...so, what does this mean? Data indicate that, as households age, they spend less on typical taxable retail items. If households age in place and, thus, spend less, they generate less sales tax for Lakewood. Without bringing in more households, sales tax revenues to Lakewood increase more slowly and eventually stagnate. Beyond this, an elderly population demands infrastructure and access to services that may not be in place, e.g. lower maintenance housing (e.g. townhome or condominium living that doesn’t involve yard work, etc.), home healthcare, social assistance, etc.

4. **A larger portion of the City’s workforce is commuting than it was more than 10 years ago, and many of those imported jobs are in the City’s six top-performing industries.**

An analysis of employment, population, and commuting patterns indicates that a larger portion of the jobs in the City are being filled by in-commuters compared to more than a decade earlier (see the discussion of Figure 7 on page 24). In 2002, there were approximately 5,200 jobs being filled by workers living outside of Lakewood; but by 2014, that number had increased to more than 12,900, an increase of more than 7,700 more in-commuters (i.e. imported labor). From the perspective of the City’s top-performing industries, referenced above, not one of the six industries had net in-commuting in 2002, but by 2014, net in-commuting for these six top-performing industries had increased to 7,300 jobs.

...so, what does this mean? As pointed out in Finding 2, this means that the City’s sales tax base is not benefitting from most of the household expenditure potential related to the 7,700 jobs that the City’s business community brings in every day. Moreover, analysis shows that household spending peaks during primary working-age years of 45 to 54 (Table 16 on page 114) and falls 15 percent in each of the three subsequent age categories.

---

Chapter 3: Supply-Side Analysis

As mentioned above, housing market growth typically responds to a variety of conditions, such as employment or population growth. As shown, Lakewood’s employment base has been growing, but its population has not been growing proportionally. At the heart of supply growth are a variety of capacity factors, such as land availability, developable land or parcels, construction capacity, adequate infrastructure including roads, water, sewer, electricity, and public services to accommodate growth. Also key to growth in supply are external factors, such as neighborhood or community “infrastructure” that can channel growth. Again, in an environment such as the Denver MSA, many of the aspects of neighborhood and community infrastructure, such as parks, recreation, schools, shops, entertainment, etc., are nearly ubiquitous.

The questions guiding this part of the analysis are first of all, whether Lakewood’s inventory of housing has been growing to meet demands (such as from employment), and whether the supply is sufficient to meet the current and future demands in a market of changing demographics, thus preferences. Second of all, questions guiding this analysis also revolve around whether the City’s supply of housing is located in appropriate proximity to an adequate array of neighborhood and community amenities.

5. The City added relatively little housing between 2000 and 2015.

For the 15,900 jobs added in the City of Lakewood, there were relatively few new housing units added between 2000 and 2015. Between 2000 and 2015, approximately 5,100 units were added to the inventory (see discussion of Figure 12 on page 31). An analysis of residential construction trends also indicates that the City’s growth diverged (i.e. dropped) from the trajectory of the MSA’s growth/construction activity just before 2000 (see discussion of Figure 24 on page 46).

...so, what does this mean? All else being equal, when demand is constant and supply is constrained, the price of housing is pushed higher. If Lakewood adds less supply than there is demand for housing (which has been the case for 15 years), housing price pressures will grow. From the perspective of the existing housing stock, this means that property values (and therefore taxes) will increase, creating existing resident affordability issues. From the perspective of an expanding MSA economy, the neighborhoods that have desirable proximity to the major employment centers will face revitalization pressures, as evidenced by the West Colfax neighborhood on Lakewood’s eastern boundary and south of Sloan’s Lake. In these areas of redevelopment pressure, a single family home can be replaced with another much more expense single family home or duplex. If such a trend continues, it means that the City’s workforce, and particularly those in essential community functions (such as police, fire, and emergency services) cannot afford to live near their jobs.

6. The City only added one housing unit for every three jobs it created between 2000 and 2015.

Between 2000 and 2015, the 5-county MSA (Adams, Arapahoe, Denver, Douglas, and Jefferson counties) collectively added nearly one housing unit for every one job that was created, a signal of a somewhat balanced market. Lakewood, on the other hand (see discussion of Table 8 on page 41), added only one occupied housing unit for every three jobs it created.
...so, what does this mean? Again, the supply constraint will eventually cause prices to escalate beyond a point where, not only is there not enough inventory for a reasonable portion of its workforce, but the price-points have escalated beyond affordability for its essential community workers. In fact, in 2015 the median home price in Lakewood was an estimated $66,000 and $98,000 more than a starting City police officer or West Metro firefighter could afford on a single salary, respectively. By 2016, the gaps between what a police officer and firefighter could afford had grown to $107,000 and $139,000, respectively.

7. The City did, however, facilitate its growth in areas that align well with its public policy objectives.

Analysis of the location of residential building permit activity indicates that between 2000 and 2016, a considerable portion of higher-density residential construction activity occurred in areas (Figure 26 on page 47) that aligned with the Growth Areas identified in its Comprehensive Plan, which was adopted in April 2015 (Figure 27 on page 48).

...so, what does this mean? It means that the City has been successful in approving development in different parts of its community that are appropriate to the objectives laid out in the adopted Comprehensive Plan. For example, most of the multifamily residential development occurred in areas designated in the Comprehensive Plan as Growth Areas, whereas single family development occurred in other parts of the city where preservation of existing densities is important.

8. The City’s vacancy rate in 2015 was the same as in 2000.

Though not a significant finding of the research in itself, the fact that the overall owner and rental housing vacancy rate was 3.0 percent in 2000 and 2.8 percent in 2015 (see discussion of Figure 19 on page 40) means that the City was not utilizing its inventory any more efficiently in 2015 than it was in 2000 in order to accommodate the additional jobs it had created. Another aspect of housing availability is the rate of inventory turnover (the portion of units sold during a year). In 2015, Lakewood’s housing inventory turnover was approximately 7 percent, with some areas higher and lower than others. This compares to turnover at the MSA level of 8.0 percent for 2015.

...so, what does this mean? On one hand, this points to a stability of the local resident population. On the other hand, it means that supply-side constraints are not just limited to new construction, they are also somewhat a product of a relatively constrained existing home resale market. Again, this means decreased opportunity for new residents to establish households and homes in Lakewood.

9. The City has limited areas to facilitate additional growth, except for infill sites, redevelopment opportunities, and a few areas for new development.

Part of the limitation to housing growth is that the City doesn’t have much land (if any) left to be developed in the manner in which it has been historically accustomed, i.e. greenfield development. The series of graphics illustrating during what periods of time the City’s housing supply was built (see Age of Structure section beginning on page 42) illustrates a general northeast to southwest development pattern, where 93 percent of the City’s housing inventory was built before 2000.
...so, what does this mean? This means that the prospect of adding more housing inventory is going to be much more challenging than it has historically been for the City. It means looking inward at redevelopment or revitalization opportunities. Specifically, it means looking at revitalization and redevelopment opportunities in commercial corridors, where adding housing inventory in a mixed-use context does not typically encounter neighborhood opposition in the same way it would if additional inventory (or denser housing) neighboring single family areas might.

10. The City’s housing inventory is not entirely homogeneous.

Two different analyses of the City’s housing inventory point to relatively different conclusions. On one hand, an analysis of the gross densities of residential development (see discussion of Figure 13 on page 33) illustrates that a vast majority of Census tracts fall between a gross density of 2 to 4 units per acre (a statistic which includes roads, right of way, parks, etc.). On the other hand, an analysis of housing units by number of units in structure indicates that Lakewood has a higher proportion of single family detached units than Denver, but a lower proportion than Adams, Arapahoe, Douglas, and Jefferson counties. In the discussion of Table 7 on page 34, it appears that Lakewood’s proportion of housing in buildings with 2 to 49 units is 35 percent or 10 percent higher than the rest of the MSA, but its inventory of housing in buildings with 50 or more units is 3 percent less than the MSA but still a higher than Adams, Douglas, and Jefferson counties.

...so, what does this mean? Even with a larger portion of buildings with 2 to 49 units in them, the City’s average gross density still ranges between a low 2 to 4 units per acre. This is not to suggest at all that Lakewood’s overall (i.e. citywide) gross density should be much higher, but that even in areas where additional density may be appropriate, such as along commercial corridors or the West Line, current densities are low. For example, gross densities in most filings of Stapleton ranged between 5 and 6 gross units per acre. It does, however, mean that Lakewood could increase its density in appropriate areas, as designated by the Comprehensive Plan, and not disturb or even significantly alter the character of its community.

Chapter 4: Stated Preferences

The preferences for physical, neighborhood, and community features articulated by a sample of Lakewood’s workforce are summarized by the following findings. For the most part, they characterize elements of housing demand for the City and illuminate where and possibly to what extent its supply of housing is adequate or deficient to meet demands over time. In essence, they provide a bridge for interpreting the demand- and supply-side analyses of the other two chapters.

As such, questions guiding this part of the analysis included nuances of previous questions, such as “how well does the City’s housing supply align with its workforce’s preference?” “How many people would like to live in the West Denver Metro Area?” “What are the next generation of homeowners looking for? That is, what are first-time homebuyers looking for, as well as what are current homeowners looking for in their next move, e.g. larger, smaller home or lot, lower maintenance, closer to schools or shops, etc. Digging deeper, the analysis also builds a profile of what each of the study’s age groups are looking for now and in the next five years.
11. **Among the physical features of a home, cost and the quality of construction are the top two considerations for the City’s workforce in choosing where to live.**

The analysis of physical features as factors of housing choice begins on page 61, and shows that 61 percent of those surveyed see housing cost as “very important” to their decision, followed by 50 percent saying that quality of construction is “very important”. Privacy between homes is third, followed by the size of a home, its historic character and low maintenance living. When asked how these considerations would change in the next five years, slightly larger portions of all respondents indicated that nearly the same ranking of considerations would be “very important”.

...so, what does this mean? As a basic finding, this simply reaffirms the notion that buyers in the market are and continue to be cost and quality conscious.

12. **The under 35 group is most cost-conscious of all age groups, mindful of safety and security, but less so than the others, and more driven to live near parks, shops, and transit.**

When it comes to the physical features of a home, under 35s are generally most concerned with cost. Nearly seven out of 10 say that it’s very important to their decision of where to live. As for quality of construction, which ranks second, just 39 percent feel it’s very important, followed by general indifference toward greater privacy between homes, home size, historic character, and low maintenance. A marginally lower proportion of this group says that a sense of safety and security is very important while their preferences for well-designed sidewalks ranks just about the same as the other age groups. Currently, a larger portion of this group is unconcerned about a sense of privacy than the others and much more concerned with living in proximity to parks and open space, shops and restaurants, as well as walking distance to rail stations or bus stops. As for their housing choices five years from now, the under 35s seem to be anticipating changes that make quality public schools and walking to them, home size, privacy between homes, sidewalks, quality construction, and a sense of safety more important.

...so, what does this mean? This means that, if Lakewood wants to attract under 35s or those who will be under 35 in the future, it needs to have a supply of housing available that is in proximity to parks and open space, shops and restaurants, as well as walking distance to rail stations or bus stops. The overlap of amenities indicates that just 9 percent (less than 5,900 units) of the City’s housing stock is within walking distance to even retail, employment centers, and grocery (excluding parks and rail stations or bus stops). Between 2000 and 2015, when the change in employment was nearly 16,000, assuming the same proportionality of jobs by age group at the MSA (see Finding 3), this would indicate that approximately 14,400 Millennials took new jobs in the City of Lakewood. But the analysis of the City’s population shows that the city only gained 10,200 new Millennials (who were all under 35 in 2015). Another part of the analysis showed that approximately 12 percent (8,500 units) of the City’s inventory in proximity to rail stations. If in 2015, there were 37,200 persons between the age of 20 and 34 in Lakewood (as representative of early home-buying years), this could equate conservatively to roughly 14,800 households. If, as indicated in the survey responses, 35 percent indicate that this will be very important to them in the future, that would equate to a maximum demand of more than 5,200 units in proximity to rail stations just due to 20 to 34 year-olds.
13. **The 35 to 54 group is generally focused on aspects of housing that facilitate an efficient and safe home and work life, where cost is less important than either of the other age groups, but historic character, schools, and a short commute to work are more important.**

While cost is still a very important consideration to 58 percent of this group, construction quality, privacy between homes, home size, and historic character are more important than for the under 35s. As for neighborhood features, sense of safety and security is very important to 75 percent of them, and a sense of privacy as well as a range of housing types in the neighborhood are more important to them than the under 35s. When it comes to community features, a short commute is very important to 51 percent of them, and having quality public schools in addition to being able to walk to them are much more important than to under 35s or the over 55s, but being able to walk to parks or rail stations/bus stops is much less important. As for their housing choices five years from now, the 35 to 54s seem to be anticipating changes, though not the same kind as the under 35s. They seem more interested in home size, quality construction, lower maintenance, walkability to rail or bus, schools, and parks, as well as safety and privacy.

**...so, what does this mean?** This age group, while not currently concerned with walkability to rail stations or bus stops, is likely to become increasingly interested in such. While bus stops are slightly more ubiquitous than rail stations in the city, the analysis shows that approximately 12 percent (8,500 units) of the inventory in proximity to housing. In 2015, there were 37,500 persons between the age of 35 and 54 in Lakewood, equating to roughly 15,000 households. If 29 percent indicate that this is very important to them in the future, that would equate to a maximum demand for more than 4,300 units in proximity to rail stations just due to 35 to 54 year-olds.

14. **For those over 55, physical and neighborhood features become much more important to this group’s considerations.**

Again, cost ranks highest on their list for physical feature considerations, but there are much larger proportions of this group saying that quality of construction, privacy between homes, home size, historic character, and low maintenance are very important. And while a sense of safety and security, like the other groups, is also the top neighborhood feature consideration, the over 55s are much more conscious of a sense of privacy, well-designed sidewalks, and a range of housing types in the neighborhood than the other groups. When it comes to the community features, however, this group is less interested in a short commute to work or proximities to parks, schools, shops, and transit. As for the over 55s, they seem to be anticipating changes also of a different type. The biggest change in their preferences is for lower maintenance living, being able to walk to shops and restaurants, walkability to rail or bus, as well as parks, housing cost and quality construction.

**...so, what does this mean?** Like the 35 to 54s, the Over 55s are not currently concerned with walkability to rail stations or bus stops, but likely to become increasingly interested. The same analysis would show that if there were 45,000 persons 55 or over in Lakewood, equating to roughly 18,000 households, and if 31 percent indicate that this will be very important to them in the future, that could equate to a maximum demand for nearly 5,600 units in proximity to rail stations just due to the Over 55s.
15. **If those who work but don't live in the city wanted to live in the city in areas with amenities they have stated as “very important”, the City would be undersupplied.**

The analysis of half-mile areas surrounding employment centers, retail, restaurants, and transportation indicates that the portion of the City’s housing inventory is generally lower than the portion of those surveyed who state that living within walkable distance of these amenities is very important in considering where to live (see Figure 57 through Figure 60 beginning on page 77).

...so, **what does this mean?** This implies that not only could the City allow for an expansion of supply in neighborhoods designated as Growth Areas, but that these Growth Areas are also appropriate for commercial reinvestment as well. Another implication, and one that extends into economic development and fiscal impacts, is that while it may be true that residential development on its own generally has a slightly net negative fiscal impact to City finances, it is also true that as households age, they spend less money on activities that generate the critical sales taxes that Lakewood relies upon. As such, it is vitally important that supplies of housing are simply available to a balanced distribution of age groups.

**Conclusions**

In EPS’s opinion, key to understanding what these patterns, trends, and conditions mean for Lakewood are addressed by bringing together some of the analysis under the light of a different set of questions that identify issues potentially more deeply rooted in fundamental drivers, such as opportunities or willingness.

As mentioned earlier, key among the findings is that the City’s housing supply has not been growing in proportion to its economic base for the past decade and a half, on average. At the root of such a pattern are a set of questions about opportunity and willingness. Has the “opportunity” to invest (i.e. buy a home) in Lakewood changed over the past 15 years; if so, how? More fundamentally, is the problem that the people who have taken jobs in the city (but commute in) don’t want to live in Lakewood, or that they are choosing to live elsewhere because there is something wrong either with the City’s housing supply, including all physical, neighborhood, and community aspects of it?

16. **What role does housing play in economic development?**

From the standpoint of strictly job creation (the demand side), it has been pointed out that Colorado is known for its encouragement of entrepreneurial and high-tech industries, which employ predominately younger workers, and that the MSA has been the primary beneficiary of this pattern (Finding 1). It has been pointed out that a vast majority of new job-holders were Millennials (Finding 3), and that imported labor makes up a larger portion of the workforce than it did more than a decade ago (Finding 4). But it would appear that the City has not been growing its housing inventory to accommodate either this age group in either sufficient quantity (Finding 6) or in terms of location (Finding 12 and Finding 15), in spite of the development magnitudes that have occurred in Growth Areas (Finding 7).

...so, **what does this mean?** Economic development isn’t just about recruiting jobs, it means developing the economy in general – i.e. all types of infrastructure. Finding 12 pointed out that a larger portion of Under 35s, while cost-conscious, are very interested in proximities to shops and restaurants, transit, and walking and biking to work. Even when
considering changes that they’ll likely experience in needs over the next five years, they still intend to choose their next house based on proximity to parks and recreation, schools, shops and restaurants, and transit, and that they are more willing to pay for this access than other age groups. So, this means offering resident housing mobility through different life stages, which encourages community investment. It means developing activity centers, i.e. areas with shopping, dining, entertainment, and transportation access. It means developing areas around employment centers and commercial activity with housing options that offer opportunities for some portion of residents and would-be residents to live. A full-time resident-worker population means not only community vibrancy, but has implications for long-term community-building.

17. **How adequate is the City’s mix of housing for changing demand?**

Based on the findings of the stated preference survey and the overlap of the City’s housing supply with the various amenities, it would appear (excluding the qualitative adjustments that need to be made to ascertain quality, for example, of the retail centers or restaurants) the portion of housing supply aligning with various amenities is slightly insufficient. Finding 10 pointed out that the City’s housing mix is not entirely homogeneous, but weighs much more heavily on the low-rise attached structures, such as buildings with 5 to 49 units, than the MSA on a whole. This is not to suggest that the City needs more high-rise projects, or even just projects with more than 50 units in the structure, but that the City does in fact have supply (whether it is adequate in terms of quality is a separate issue and the assessment of which is beyond the resources available for this study) that can meet various price-point demands.

...so, **what does this mean?** It means that the City doesn’t need to work very hard to attract the type of residents who are looking for traditional suburban living. It does mean that the City can encourage more development (both residential and commercial) in its designated Growth Areas to attract not only the generation of would-be residents who have accounted for the largest share of new job-holders in the city, but also portions of residents who may be living (and potentially) working in Lakewood who are contemplating retirement and lower maintenance living with proximity to amenities.

18. **Is the supply situated in desirable neighborhoods?**

Many of Lakewood’s neighborhoods meet the needs of its residents looking for safety and security, privacy between homes, a sense of privacy, and other general physical characteristics, such as home size or price, as described in Finding 11. There is, however, a limited inventory of housing that meets the demands, for example, of having a quality dining, entertainment, shopping, or a rail station in walking distance. On the other hand, it is likely that a more comprehensive and qualitative assessment of the City’s retail (shopping, dining, entertainment) might demonstrate that the targeted Growth Areas could benefit from revitalized commercial offerings (Finding 15).

...so, **what does this mean?** As an example, the calculations from above indicate that there could be demand for a maximum of 15,000 units in walking distance to rail stations versus the current inventory of 8,500.
19. What does it mean to have a vibrant community with respect to housing?

Concerning Lakewood’s future, a vibrant community with respect to housing will likely mean: the availability of housing that meets needs for all life stages (younger working households looking for the good proximity to open space that Lakewood offers; working households with children looking for quality schools and decent proximity to them; and retired households wanting to age in place). This means that the housing stock facilitates movement not just to respond to the different stage of life and the demands that they bring, but also facilitates movement within its supply for a variety of price-bands to accommodate the spectrum of Lakewood’s workforce wages.
2. **Demand-Side Analysis**

**Overview**

This chapter focuses on housing demand—its origins and characteristics—in objective, as well as subjective terms. The analysis is devoted to quantitatively detailing the origins and characteristics of demand in terms of economic and employment growth, commuting patterns, and population growth. It was guided by a series of questions that encapsulates the demand side of the narrative for this study, a few of which blend considerations of supply and are discussed in the following chapter on Findings: 1) Where does demand come from? 2) How well does the City’s housing stock align to its workforce preferences? 3) How many of those workers live in, or contemplate living in Lakewood? 4) As younger generations move through life and different household type stages, what will they be looking for? 5) And generally, what are households of different age categories looking for in housing?

There are numerous factors that influence, or drive, demand for housing. Although the scope of this study is not to delve into the details of all of these demand drivers, the analysis does detail several of the major housing demand drivers, specifically: employment growth, including a contextual discussion of what employers are looking for; commuting patterns; and population growth.

**Employment Trends**

One of the most fundamental drivers of housing demand is economic growth, evidenced through the growth of the jobs market. Questions that have guided this section of the demand drivers analysis are: 1) What industries have grown or declined at the MSA and City levels? 2) How has the industry distribution at the City level changed with respect to the MSA? 3) What are the demographic components of employment change at the MSA and City levels? 4) More subjectively, what are employers looking for when they hire new employees as their markets and business grow?

**Employment**

Figure 1, using Bureau of Economic Analysis and Bureau of Labor Statistics data, illustrates when the MSA has experienced either above- or below-average population growth during the past 46 years. As noted in the narrative of following graphics, this depicts average annual employment growth of approximately 23,200 jobs per year, factoring in expansions and contraction of the regional economy. The brackets indicate periods of continuous expansion, followed by periods of contraction, which have generally lasted approximately two years.
Cycles of Economic Activity

Compared to the U.S. economy, the Denver region has experienced fewer market contractions and longer periods of market expansion. While numerous definitions of what constitutes a “cycle” of economic activity exist, EPS has modeled directly from the National Bureau of Economic Research (NBER) Business Cycle Dating Committee definition of a cycle. It states that cycle of economic activity contains both a market expansion and contraction. A contraction begins at the peak and ends at the trough of economic activity, and an expansion begins at the trough and ends at the peak of economic activity.3 By this definition, the country has experienced seven cycles of economic activity (contraction and expansion) since 1969, whereas the Denver region has only experienced four complete cycles and is in the midst of a fifth:

- 1969 to 1975: 5 years of job gains, followed by 1 year of job losses
- 1976 to 1987: 10 years of job gains, followed by 2 years of job losses
- 1988 to 2003: 14 years of job gains, followed by 2 years of job losses
- 2004 to 2010: 5 years of job gains, followed by 2 years of job losses
- 2011 to present: 6 years of job gains

Employment at the City level, however, has been comparatively strong. Figure 2 illustrates how City employment levels have grown at proportionally higher rates than at the MSA level. Using available Quarterly Census of Employment and Wages (QCEW) data from the Colorado Department of Labor and Employment (CDLE), the trends have been normalized to the year 2001 (the most historic point from which Lakewood employment data were available).

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3 See [http://www.nber.org/cycles/cyclesmain.html](http://www.nber.org/cycles/cyclesmain.html) The Business Cycle Dating Committee does not have a fixed definition of “economic activity”; rather, it is determined from broad collection of measures including Gross Domestic Product (GDP), employment, and real income.
Specifically, it illustrates employment for the MSA and the City by year as a percent of employment levels in 2001. In 2002, the City of Lakewood’s employment dropped 6 percent below its 2001 level when economic activity contracted following the dot-com bubble. At the MSA level, employment levels dropped 3 percent. In 2008, following six years of market expansion, employment in the City was 16 percent above its 2001 levels, whereas employment at the MSA level increased to just 102 percent of 2001 levels. In the wake of the recession (which dated 2007 to 2009), while employment at the MSA level dropped back to 97 percent of its 2001 level, the City’s employment dropped 4 percent but still 12 percent above 2001. Since then, the City’s economy has continued to expand with employment growing to 26 percent above 2001.

**Figure 2**
MSA and Lakewood Employment, 1969-2016

Figure 3 illustrates the magnitude of annual employment changes over this period of time. An observation that characterizes a general concern regarding increasing economic instability is that during the previous two periods of job losses (which coincide with NBER’s designations of contractions in economic activity), the job losses have generally been larger relative to previous economic contractions.

For example, between 1969 and 1975, employment increased by approximately 22,000; it grew by annual averages of approximately 23,000 between 1976 and 1987, 23,800 between 1988 and 2003, and 4,700 between 2004 and 2010; employment is currently growing by approximately 44,700 per year.
During the years for which data on the City were available, **Figure 4** illustrates the magnitude of annual employment change in the City relative to the MSA. As indicated earlier, the City’s economy has grown proportionally more than the MSA’s during this time. For example, in 2003 when the MSA was still losing jobs, Lakewood saw a net gain of 3,600 jobs. And during 2010, when the number of jobs continued to decline in the MSA, Lakewood saw a small, but net positive gain. Overall, the City’s annual employment growth has accounted for an average of 5 percent of MSA employment growth. Between 2004 and 2006, as well as 2011, Lakewood captured an average of 14 percent the MSA’s net job growth.

**Figure 4**

Annual Lakewood Employment Change as % of MSA

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draft report

Economic & Planning Systems, Inc.
Industry Mix

Another important detail of employment shifts in the City is the distribution by industry. Table 1 illustrates the shift in distribution of jobs by industry at the MSA and City levels between 2001 and 2016.

Table 1
Distribution of Employment by Industry, 2001 and 2016

<table>
<thead>
<tr>
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<tr>
<td>11-County MSA</td>
<td></td>
<td></td>
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<tr>
<td>11 Agriculture, forestry, fishing and hunting</td>
<td>5,871</td>
<td>7,147</td>
<td>1,276</td>
<td>85</td>
<td>1.32%</td>
<td>0.4%</td>
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<tr>
<td>21 Mining, quarrying, and oil and gas extraction</td>
<td>6,810</td>
<td>14,441</td>
<td>7,631</td>
<td>535</td>
<td>5.33%</td>
<td>0.5%</td>
<td>0.9%</td>
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<td>22 Utilities</td>
<td>4,450</td>
<td>4,608</td>
<td>158</td>
<td>17</td>
<td>0.36%</td>
<td>0.3%</td>
<td>0.3%</td>
</tr>
<tr>
<td>23 Construction</td>
<td>105,937</td>
<td>101,182</td>
<td>4,755</td>
<td>317</td>
<td>0.3%</td>
<td>3.8%</td>
<td>4.5%</td>
</tr>
<tr>
<td>31-33 Manufacturing</td>
<td>119,031</td>
<td>100,073</td>
<td>-18,958</td>
<td>-1,264</td>
<td>-1.15%</td>
<td>7.8%</td>
<td>6.4%</td>
</tr>
<tr>
<td>42 Wholesale trade</td>
<td>77,509</td>
<td>80,858</td>
<td>3,349</td>
<td>223</td>
<td>0.28%</td>
<td>5.7%</td>
<td>5.1%</td>
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<tr>
<td>44-45 Retail trade</td>
<td>150,004</td>
<td>163,821</td>
<td>13,817</td>
<td>921</td>
<td>0.59%</td>
<td>11.0%</td>
<td>10.3%</td>
</tr>
<tr>
<td>48-49 Transportation and warehousing</td>
<td>62,244</td>
<td>59,983</td>
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<td>-151</td>
<td>-1.0%</td>
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<td>77,145</td>
<td>81,864</td>
<td>4,719</td>
<td>315</td>
<td>0.28%</td>
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<tr>
<td>53 Real estate and rental and leasing</td>
<td>30,067</td>
<td>31,207</td>
<td>1,140</td>
<td>76</td>
<td>0.25%</td>
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<td>54 Professional and technical services</td>
<td>114,954</td>
<td>158,355</td>
<td>43,401</td>
<td>2,893</td>
<td>2.16%</td>
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<td>55 Management of companies and enterprises</td>
<td>15,048</td>
<td>32,866</td>
<td>17,818</td>
<td>1,834</td>
<td>5.35%</td>
<td>1.1%</td>
<td>2.1%</td>
</tr>
<tr>
<td>56 Administrative and waste services</td>
<td>98,261</td>
<td>108,813</td>
<td>10,552</td>
<td>703</td>
<td>0.8%</td>
<td>6.6%</td>
<td>6.9%</td>
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<tr>
<td>51 Educational services</td>
<td>51,427</td>
<td>78,931</td>
<td>27,504</td>
<td>1,834</td>
<td>3.8%</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>62 Health care and social assistance</td>
<td>117,838</td>
<td>190,560</td>
<td>72,748</td>
<td>4,850</td>
<td>3.26%</td>
<td>8.7%</td>
<td>12.0%</td>
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<tr>
<td>71 Arts, entertainment, and recreation</td>
<td>23,037</td>
<td>29,916</td>
<td>6,879</td>
<td>459</td>
<td>1.76%</td>
<td>1.7%</td>
<td>1.9%</td>
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<tr>
<td>72 Accommodation and food services</td>
<td>114,676</td>
<td>161,605</td>
<td>46,929</td>
<td>3,129</td>
<td>2.31%</td>
<td>8.4%</td>
<td>10.2%</td>
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<td>81 Other services, except public administration</td>
<td>42,423</td>
<td>51,439</td>
<td>9,016</td>
<td>601</td>
<td>1.29%</td>
<td>3.1%</td>
<td>3.2%</td>
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<tr>
<td>92 Public administration</td>
<td>58,662</td>
<td>71,744</td>
<td>13,082</td>
<td>872</td>
<td>1.35%</td>
<td>4.3%</td>
<td>4.5%</td>
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<tr>
<td>Total, all industries</td>
<td>1,359,091</td>
<td>1,585,150</td>
<td>226,059</td>
<td>15,071</td>
<td>1.03%</td>
<td>100.0%</td>
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</tr>
</tbody>
</table>

City of Lakewood

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<tbody>
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<td>11 Agriculture, forestry, fishing and hunting</td>
<td>1</td>
<td>84</td>
<td>83</td>
<td>17</td>
<td>1.7%</td>
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<td>129</td>
<td>60</td>
<td>4</td>
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<td>22 Utilities</td>
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<td>163</td>
<td>11</td>
<td>5.83%</td>
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<td>23 Construction</td>
<td>3,325</td>
<td>3,518</td>
<td>193</td>
<td>13</td>
<td>0.38%</td>
<td>5.4%</td>
<td>4.5%</td>
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<td>31-33 Manufacturing</td>
<td>1,944</td>
<td>3,923</td>
<td>1,980</td>
<td>393</td>
<td>4.4%</td>
<td>3.2%</td>
<td>4.4%</td>
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<td>42 Wholesale trade</td>
<td>1,265</td>
<td>1,113</td>
<td>-152</td>
<td>-10</td>
<td>-1.2%</td>
<td>2.1%</td>
<td>1.4%</td>
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<td>44-45 Retail trade</td>
<td>8,636</td>
<td>10,290</td>
<td>1,654</td>
<td>110</td>
<td>1.18%</td>
<td>14.0%</td>
<td>13.3%</td>
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<td>48-49 Transportation and warehousing</td>
<td>748</td>
<td>1,036</td>
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<td>2.8%</td>
<td>1.2%</td>
<td>1.3%</td>
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<td>2,058</td>
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<td>3.3%</td>
<td>2.0%</td>
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<td>-1,188</td>
<td>-79</td>
<td>-2.28%</td>
<td>6.6%</td>
<td>3.7%</td>
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<td>53 Real estate and rental and leasing</td>
<td>1,319</td>
<td>1,326</td>
<td>7</td>
<td>0</td>
<td>0.04%</td>
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<td>1.7%</td>
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<td>106</td>
<td>1.51%</td>
<td>10.2%</td>
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<td>1,116</td>
<td>396</td>
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<td>2.96%</td>
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<td>1.4%</td>
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<td>56 Administrative and waste services</td>
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<td>6,874</td>
<td>704</td>
<td>47</td>
<td>0.72%</td>
<td>10.0%</td>
<td>8.9%</td>
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<tr>
<td>51 Educational services</td>
<td>845</td>
<td>2,729</td>
<td>1,884</td>
<td>126</td>
<td>8.13%</td>
<td>1.4%</td>
<td>3.5%</td>
</tr>
<tr>
<td>62 Health care and social assistance</td>
<td>5,665</td>
<td>12,593</td>
<td>6,928</td>
<td>462</td>
<td>5.47%</td>
<td>9.2%</td>
<td>16.3%</td>
</tr>
<tr>
<td>71 Arts, entertainment, and recreation</td>
<td>807</td>
<td>727</td>
<td>-80</td>
<td>-5</td>
<td>-0.69%</td>
<td>1.3%</td>
<td>0.9%</td>
</tr>
<tr>
<td>72 Accommodation and food services</td>
<td>6,840</td>
<td>8,521</td>
<td>1,681</td>
<td>112</td>
<td>1.48%</td>
<td>11.1%</td>
<td>11.0%</td>
</tr>
<tr>
<td>81 Other services, except public administration</td>
<td>1,935</td>
<td>2,170</td>
<td>236</td>
<td>16</td>
<td>0.77%</td>
<td>3.1%</td>
<td>2.8%</td>
</tr>
<tr>
<td>92 Public administration</td>
<td>8,782</td>
<td>9,239</td>
<td>457</td>
<td>30</td>
<td>0.34%</td>
<td>14.3%</td>
<td>11.9%</td>
</tr>
<tr>
<td>Total, all industries</td>
<td>61,613</td>
<td>77,476</td>
<td>15,863</td>
<td>1,058</td>
<td>1.54%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: BLS; Economic & Planning Systems

H:\163063-Lakewood Housing Study\Data\163063-Lakewood Employment growth.xlsx\TABLE a.2 - Lakewood MSA (2)
Using the industry growth trends, Table 2 summarizes the shifts by industry in the City of Lakewood relative to the changes at the MSA level. The results present the average annual employment change between 2001 and 2016, changes in location quotients (LQ)
, as well as a reference to the average annual growth rate at the metro level. This analysis delves deeper by dividing industries into four categories of change: 1) where the industry grew in Lakewood by a greater proportion than the MSA; 2) where the industry shrank at the City level, but did not lose jobs in proportion to job losses at the MSA; 3) where the industry grew at the City level, but did not grow in proportion to jobs at the MSA; and 4) where the industry shrank at the City level, and lost proportionally more than the MSA.

In general, the analysis reveals that the City has eight top-performing industries based on rates of growth: utilities, educational services, manufacturing, health care, agriculture, transportation, construction, and retail. Other industries that grew in Lakewood, although not proportionally to the MSA include mining, administrative services, real estate, professional and technical services, accommodations, management, and public administration (which include public school jobs, federal, state and local government jobs). These data are also utilized in a below to calculate location quotients.

Table 2
Summary of Industry Shift Metrics, 2001-2016

<table>
<thead>
<tr>
<th>Industry in Lakewood grew, and grew by greater proportion than MSA</th>
<th>Annual Employment ∆ (2001-2016)</th>
<th>Location Quotient (2001)</th>
<th>Location Quotient (2016)</th>
<th>MSA Annual % ∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities</td>
<td>163</td>
<td>0.60</td>
<td>1.24</td>
<td>0.36%</td>
</tr>
<tr>
<td>Educational services</td>
<td>1,884</td>
<td>0.36</td>
<td>0.71</td>
<td>2.90%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,480</td>
<td>0.36</td>
<td>0.70</td>
<td>-1.15%</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>6,928</td>
<td>1.06</td>
<td>1.35</td>
<td>3.26%</td>
</tr>
<tr>
<td>Agriculture, forestry, fishing and hunting</td>
<td>83</td>
<td>0.01</td>
<td>0.24</td>
<td>1.32%</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>288</td>
<td>0.27</td>
<td>0.35</td>
<td>-0.25%</td>
</tr>
<tr>
<td>Construction</td>
<td>193</td>
<td>0.69</td>
<td>0.71</td>
<td>-0.31%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>1,654</td>
<td>1.27</td>
<td>1.29</td>
<td>0.59%</td>
</tr>
<tr>
<td>Industry in Lakewood shrank, but didn't lose proportionally as much as MSA</td>
<td>-524</td>
<td>0.54</td>
<td>0.57</td>
<td>-2.73%</td>
</tr>
<tr>
<td>Information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry in Lakewood grew, but didn't grow proportionally to the MSA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining, quarrying, oil and gas extraction</td>
<td>60</td>
<td>0.22</td>
<td>0.18</td>
<td>5.33%</td>
</tr>
<tr>
<td>Administrative and waste services</td>
<td>704</td>
<td>1.39</td>
<td>1.29</td>
<td>0.68%</td>
</tr>
<tr>
<td>Real estate, rental and leasing</td>
<td>7</td>
<td>0.97</td>
<td>0.87</td>
<td>0.25%</td>
</tr>
<tr>
<td>Other services, except public administration</td>
<td>236</td>
<td>1.01</td>
<td>0.86</td>
<td>1.29%</td>
</tr>
<tr>
<td>Professional and technical services</td>
<td>1,594</td>
<td>1.21</td>
<td>1.02</td>
<td>2.16%</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>1,681</td>
<td>1.32</td>
<td>1.08</td>
<td>2.31%</td>
</tr>
<tr>
<td>Management of companies and enterprises</td>
<td>396</td>
<td>1.06</td>
<td>0.69</td>
<td>5.35%</td>
</tr>
<tr>
<td>Public administration</td>
<td>457</td>
<td>3.30</td>
<td>2.63</td>
<td>1.35%</td>
</tr>
<tr>
<td>Industry in Lakewood shrank, and lost proportionally more than the MSA</td>
<td>-152</td>
<td>0.36</td>
<td>0.28</td>
<td>0.28%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts, entertainment, and recreation</td>
<td>-80</td>
<td>0.77</td>
<td>0.50</td>
<td>1.76%</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>-1,188</td>
<td>1.16</td>
<td>0.72</td>
<td>0.40%</td>
</tr>
</tbody>
</table>

Source: BLS; CDLE; Economic & Planning Systems

Location quotients reflect a ratio of the portion of one industry at the local level divided by the portion of the same industry at a regional level. For example, if 10 percent of all jobs are in one industry at the local level and 10 percent of all jobs are in the same industry at the regional level, the location quotient would be 1.0. If, on the other hand, 5 percent of all jobs are in one industry at the local level and that industry accounts for 10 percent at the regional level, the location quotient will be 0.5.
Demographic Composition of Jobs

Another aspect of shifts in economic activity is the demographic composition of those shifts. Not only has industry predominance shifted within the region and City, but the workforce composition has also shifted. Figure 5 illustrates this shift at the highest level by generational category – i.e. Millennials are those born between 1981 and 2000, Generation X are those born between 1965 and 1980, Baby Boomers are those born between 1946 and 1964, and the Silent Generation are those born before 1945. The graphic represents a net growth of approximately 270,000 jobs between 2005 and 2015 (when these data were available from the U.S. Census American Community Survey). It also illustrates that Millennials accounted for 90 percent of the positive employment change, while Generation X accounted for the remaining 10 percent of positive employment change. Of those exiting the workforce, Baby Boomers accounted for 75 percent while the Silent Generation accounted for 25 percent of those exiting.

Figure 5
Employment Change by Generational Category, 2005-2015

Source: Bureau of Economic Analysis; Bureau of Labor Statistics; Economic & Planning Systems

H:\163063-Lakewood Housing Study\Data\163063-Employment by Age.xlsx
Table 1 - Gen Employment
A breakdown of the details at the MSA level are shown in Table 3, which also reports the detail of employment by age category. Shown by age category, the trend reveals that, as a portion of those working, some of the younger and older age cohorts have become a larger part of the workforce, and those between 30 and 55 have become smaller portions. For example, those aged 25 to 29 accounted for 12 percent of all jobs in 2005 and 13 percent in 2015. At the other end of the spectrum, those age 55 to 59 accounted for 9 percent in 2015 (versus 8 percent in 2005); those age 60 and 61 made up more than 3 percent (compared to less than 2 percent in 2005); and those age 62 to 64 represented 3.5 percent of all jobs (compared to 2.1 percent in 2005).

### Table 3
**Distribution of MSA Employment by Age, 2005 and 2015**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>16 to 19 years</td>
<td>46,636</td>
<td>55,060</td>
<td>8,424</td>
<td>842</td>
<td>1.67%</td>
<td>3.7%</td>
<td>3.6%</td>
<td></td>
</tr>
<tr>
<td>20 and 21 years</td>
<td>42,266</td>
<td>50,117</td>
<td>7,851</td>
<td>785</td>
<td>1.72%</td>
<td>3.3%</td>
<td>3.3%</td>
<td></td>
</tr>
<tr>
<td>22 to 24 years</td>
<td>79,439</td>
<td>95,453</td>
<td>16,014</td>
<td>1,601</td>
<td>1.85%</td>
<td>6.3%</td>
<td>6.2%</td>
<td></td>
</tr>
<tr>
<td>25 to 29 years</td>
<td>150,864</td>
<td>201,045</td>
<td>50,181</td>
<td>5,018</td>
<td>2.91%</td>
<td>12.0%</td>
<td>13.1%</td>
<td></td>
</tr>
<tr>
<td>30 to 34 years</td>
<td>167,726</td>
<td>197,456</td>
<td>29,730</td>
<td>2,973</td>
<td>1.65%</td>
<td>13.3%</td>
<td>12.9%</td>
<td></td>
</tr>
<tr>
<td>35 to 44 years</td>
<td>322,109</td>
<td>358,088</td>
<td>35,979</td>
<td>3,979</td>
<td>1.06%</td>
<td>25.5%</td>
<td>23.4%</td>
<td></td>
</tr>
<tr>
<td>45 to 54 years</td>
<td>297,993</td>
<td>332,643</td>
<td>34,650</td>
<td>3,650</td>
<td>1.11%</td>
<td>23.6%</td>
<td>21.7%</td>
<td></td>
</tr>
<tr>
<td>55 to 59 years</td>
<td>104,289</td>
<td>138,218</td>
<td>33,929</td>
<td>3,929</td>
<td>2.86%</td>
<td>8.3%</td>
<td>9.0%</td>
<td></td>
</tr>
<tr>
<td>60 and 61 years</td>
<td>23,870</td>
<td>50,269</td>
<td>26,399</td>
<td>2,399</td>
<td>7.73%</td>
<td>1.9%</td>
<td>3.3%</td>
<td></td>
</tr>
<tr>
<td>62 to 64 years</td>
<td>26,730</td>
<td>53,655</td>
<td>26,925</td>
<td>2,925</td>
<td>7.22%</td>
<td>2.1%</td>
<td>3.5%</td>
<td></td>
</tr>
<tr>
<td>Total [Note 1]</td>
<td>1,281,922</td>
<td>1,532,004</td>
<td>270,082</td>
<td>27,082</td>
<td>1.96%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

### Generational Category

<table>
<thead>
<tr>
<th>Generation Z</th>
<th>n/a</th>
<th>n/a</th>
<th>n/a</th>
<th>n/a</th>
<th>n/a</th>
<th>n/a</th>
<th>n/a</th>
<th>n/a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials</td>
<td>168,341</td>
<td>599,131</td>
<td>430,790</td>
<td>43,079</td>
<td>13.54%</td>
<td>13.3%</td>
<td>39.1%</td>
<td></td>
</tr>
<tr>
<td>Generation X</td>
<td>511,855</td>
<td>557,674</td>
<td>45,818</td>
<td>4,818</td>
<td>0.86%</td>
<td>40.6%</td>
<td>36.4%</td>
<td></td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>531,126</td>
<td>375,199</td>
<td>-155,926</td>
<td>-15,926</td>
<td>-3.42%</td>
<td>42.1%</td>
<td>24.5%</td>
<td></td>
</tr>
<tr>
<td>Silent or before</td>
<td>50,600</td>
<td>0</td>
<td>-50,600</td>
<td>-5,060</td>
<td>100.0%</td>
<td>4.0%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,281,922</td>
<td>1,532,004</td>
<td>270,082</td>
<td>27,082</td>
<td>1.96%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

[Note 1]: These data represent an average of survey data collected by the U.S. Census American Community Survey over a 5-year period of time and do not, therefore, equate directly to actual counts of employment reported by the CDLE, BLS, or BEA.

Source: U.S. Census ACS 5-year estimates; Economic & Planning Systems
Employer Demands

Employers consider a variety of factors in business development decisions, chief among them market, financial, and competitive factors, as well as considerations for a business-friendly environment, a growing market, and access to labor. Although the following is devoted to outlining these considerations, it is the latter that concerns this study primarily. Access to labor means that a city’s housing supply needs to facilitate it.

As defined by the International Economic Development Council (IEDC), a brief list of what businesses and economic developers look for in evaluating business development prospects includes:

- Business and income taxes
- Labor availability
- Energy costs
- Market size
- Quality of services
- Cost of living
- Quality of life
- Environmental regulation
- Permitting, licensing, and reporting regulations
- Real estate (housing) costs and availability
- Infrastructure
- Access to capital
- Incentives

Business-Friendly Environment

According to a 2015 report by the U.S. Chamber of Commerce, “Colorado has attained top-tier status for its support of innovation, entrepreneurship, talent pipeline, and overall economic activity.”5 The report cites numerous examples of the programs the state has developed to foster innovation and encourage entrepreneurship. Evidence of these efforts is apparent in the composition and commitments made by the State’s Office of Economic Development and International Trade (OEDIT). OEDIT’s strategies include: 1) building a business-friendly environment; 2) retaining, growing, and recruiting companies; 3) increasing access to capital; 4) creating and marketing a strong Colorado brand; 5) educating and training the workforce of the future; and 6) cultivating innovation and technology.6

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5 See https://www.uschamberfoundation.org/enterprisingstates/#CO
**Growing Market**

A growing market means expanding and growing opportunities. As the employment trends make apparent, the metro area continues to grow. One of the more commonly cited metrics for identifying economic and market growth is Gross Domestic Product (GDP) or Gross Regional Product (GRP). GRP is defined as the total value of income generated from production, employee compensation, payments to government (taxes), and measures of profit or return on investment. It is one of the more frequently cited economic contribution metrics in economic analysis because it characterizes the amount of “value” created by the regional economic activity. As illustrated in **Figure 6**, GRP in the metro area has grown at $5.9 billion per year. And while the metro area ranks 17\textsuperscript{th} by annual growth in GRP, this rate of growth is larger than the bottom 68 MSAs combined.

**Figure 6**
Annual Gross Regional Product Growth by MSA, 2001-2015

![Annual GRP Growth, 2001-2015 ($ millions)](image)

Source: BEA, Economic & Planning Systems
Another commonly cited metric of economic growth is personal consumption. Because it accounts for 69 percent of U.S. GDP, business is attracted to environments where the driver of demand is strong and growing. **Table 4** illustrates a comparison of PCE to GDP for the U.S. as well as Colorado, where between 2000 and 2015, Colorado’s PCE rose 4.2 percent per year on average. And as cited above, Colorado’s PCE accounts for 71 percent of GRP versus 69 percent of GDP at the national level.\(^7\)

**Table 4**

**Personal Consumption Expenditure and GDP, 2000-2015**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total Δ</td>
</tr>
<tr>
<td><strong>Personal Consumption Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. ($ millions)</td>
<td>6,789,177</td>
<td>12,278,861</td>
<td>5,489,684</td>
</tr>
<tr>
<td>Colorado ($ millions)</td>
<td>119,329</td>
<td>221,708</td>
<td>102,379</td>
</tr>
<tr>
<td><strong>Gross Domestic (Regional) Product</strong></td>
<td>10,219,801</td>
<td>17,925,143</td>
<td>7,705,342</td>
</tr>
<tr>
<td>U.S. ($ millions)</td>
<td>181,488</td>
<td>313,329</td>
<td>131,841</td>
</tr>
<tr>
<td>Colorado ($ millions)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PCE as % of GDP/GRP</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>66.4%</td>
<td>68.5%</td>
<td>---</td>
</tr>
<tr>
<td>Colorado</td>
<td>65.8%</td>
<td>70.8%</td>
<td>---</td>
</tr>
</tbody>
</table>

Source: BEA; Economic & Planning Systems

H:\E3963-Lakewood Housing Study\Data\E3963-GDP and PCE.xlsx\TABLE 1- Summary

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\(^7\) See also Appendix B. As illustrated in Figure 106, the rate of change in PCE in Colorado is strong by comparison to other states.
Commuting Patterns

Also chief among business considerations is access to labor. In metropolitan contexts, the dynamics of where residents live and where they work are complex. Communities often fall on a spectrum of purely employment center at one end and purely residential community on the other end. In reality, no one fits either description, but somewhere between. In such environments, some residents live and work in the same community, while many others choose (or are forced because of high housing prices) to live in one place and work in another. Figure 7 illustrates the patterns of in- and out-commuting among Lakewood’s workforce in 2002 and 2014. In 2002, approximately 9 percent of Lakewood’s workforce commuted in and approximately 46 percent of its job-holding residents commuted out to work. By 2014, Lakewood businesses were importing 17 percent of their labor from outside the city and only 16 percent of the job-holding residents were commuting out to work.

Figure 7

Commuting Patterns, 2002-2014

Commuting Patterns, 2000

Commuting Patterns, 2015

Source: U.S. Census; Economic & Planning Systems

H:\163063-Lakewood Housing Study\Data\163063-LEHD-Commuting/profiles.xlsx 2014

**Population**

Population growth, along with employment and economic growth, are among the fundamental housing demand drivers. Natural population growth fuels demand for different housing products - and especially relevant to the Denver MSA, in-migration to an attractive living and working environment driving housing demand. This portion of the demand drivers section is intended to identify what age and generational cohorts have changed within the City and MSA over time to begin to frame an understanding of which demographic groups have been and will be driving housing demand.

As illustrated in Figure 8, the 7-county Denver MSA has added an average of 40,400 persons per year since 1969. This graphic using U.S. Census data also illustrates when the MSA has experienced either above- or below-average population growth. For example, since 2011 (inclusive), the region has added approximately 60,700 people per year, well above the historical average since 1969.

![Figure 8](image-url)  
**Figure 8**  
**MSA Population, 1969-2016**

The City’s population growth, however, has not been comparatively strong. Figure 9 illustrates in the same manner in which Figure 2 on page 15 illustrated City employment levels compared to the MSA level. Using U.S. Census and State Demographer Office data, the trends have been normalized to the year 2001 (for the purpose of direct comparison to the findings of Figure 2). In general, it shows how population growth in the City paralleled the MSA in its upward growth trajectory through the 80s, but diverged in the 90s as the City approached buildout—a conclusion reached as a part of the Supply-Side analysis (refer to Age of Structure section of Chapter 2, beginning on page 42) that determined that a combined 93 percent of all housing in Lakewood had been built before 2000.
Just as with employment, in 2002, the City of Lakewood’s employment dropped but only by 1 percent below its 2001 level following the dot-com bubble. In 2008, following six years of market expansion, population in the City was still at the same level as 2001, whereas the population at the MSA level had increased another 11 percent over 2001. Only since the end of the market’s contraction (2010) has the City’s population grown again reaching just 6 percent above its 2001 level, whereas the MSA has reached a level of 24 percent above 2001.

**Figure 9**

As indicated above, the Metro Area lost population only twice in the past 46 years, approximately 4,700 in 1988 and approximately 17,000 in 2010. For example, between 1969 and 1975, population increased by approximately 36,200; between 1976 and 1987, population grew by an annual average of approximately 33,300; an annual average of approximately 43,200 between 1988 and 2003; an annual average of 36,700 between 2004 and 2010, and is currently growing by an annual average of approximately 58,600 per year.

Figure 10 illustrates the magnitude of annual population changes over this period of time. As indicated above, the Metro Area lost population only twice in the past 46 years, approximately 4,700 in 1988 and approximately 17,000 in 2010. For example, between 1969 and 1975, population increased by approximately 36,200; between 1976 and 1987, population grew by an annual average of approximately 33,300; an annual average of approximately 43,200 between 1988 and 2003; an annual average of 36,700 between 2004 and 2010, and is currently growing by an annual average of approximately 58,600 per year.
During the years for which data on the City were available, Figure 4 illustrates the magnitude of annual population change in the City relative to the MSA. As indicated earlier, the City’s economy has grown proportionally more than the MSA’s during this time, but the City’s population has not. Although not illustrated here, using data from Figure 9, between 1980 and 1992 Lakewood captured an average of 6 percent of the MSA’s population growth. Since then, Lakewood has only accounted for an average of 2 percent of the MSA’s population growth (compared to an average of 5 percent employment capture).

![Figure 10](image-url)

**Figure 10**
Annual Changes in 7-County Denver MSA Population, 1970-2016

![Figure 11](image-url)

**Figure 11**
Annual Lakewood Population Change as % of MSA
Age Categories

Another aspect of shifts in demographic change is the composition of those shifts. Table 5 illustrates this shift by age and generational categories at the MSA. In total, the population of the MSA grew by just over 675,000 between 2000 and 2015. The results are that those born after 2001 accounted for nearly 598,000 of that net new population, or 67 percent of positive population change. Millennials accounted for 24 percent or nearly 161,000 of the positive population change, and the Generation X accounted for 9 percent of positive population change (approximately 85,000). On the other end of the spectrum, the population of Baby Boomers in the MSA has dropped by more than 61,000 since 2000, accounting for 28 percent of the overall population losses. Also, the population of Silents has also declined by more than 161,000 since 2000, accounting for 72 percent of the overall population loss.

From the perspective of age categories, however, nearly 60 percent of the growth in population has come from persons over the age of 50 versus approximately 40 percent of population growth is due to influx of those under 50.

Table 5
MSA Population Change by Age, 2000-2015

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</tr>
</thead>
<tbody>
<tr>
<td>Under 5 years</td>
<td>168,113</td>
<td>190,721</td>
<td>22,608</td>
<td>1,507</td>
<td>0.84%</td>
<td>7.0%</td>
<td>6.2%</td>
</tr>
<tr>
<td>5 to 9 years</td>
<td>173,448</td>
<td>204,822</td>
<td>31,374</td>
<td>2,092</td>
<td>1.11%</td>
<td>7.2%</td>
<td>6.7%</td>
</tr>
<tr>
<td>10 to 14 years</td>
<td>170,704</td>
<td>202,115</td>
<td>31,411</td>
<td>2,094</td>
<td>1.13%</td>
<td>7.1%</td>
<td>6.6%</td>
</tr>
<tr>
<td>15 to 19 years</td>
<td>160,052</td>
<td>191,811</td>
<td>31,759</td>
<td>2,117</td>
<td>1.21%</td>
<td>6.7%</td>
<td>6.2%</td>
</tr>
<tr>
<td>20 to 24 years</td>
<td>163,980</td>
<td>205,139</td>
<td>41,159</td>
<td>2,744</td>
<td>1.50%</td>
<td>6.8%</td>
<td>6.7%</td>
</tr>
<tr>
<td>25 to 29 years</td>
<td>199,150</td>
<td>246,166</td>
<td>47,016</td>
<td>3,134</td>
<td>1.42%</td>
<td>8.3%</td>
<td>8.0%</td>
</tr>
<tr>
<td>30 to 34 years</td>
<td>199,404</td>
<td>244,847</td>
<td>45,443</td>
<td>3,030</td>
<td>1.38%</td>
<td>8.3%</td>
<td>8.0%</td>
</tr>
<tr>
<td>35 to 39 years</td>
<td>213,806</td>
<td>223,722</td>
<td>9,916</td>
<td>661</td>
<td>0.30%</td>
<td>8.9%</td>
<td>7.3%</td>
</tr>
<tr>
<td>40 to 44 years</td>
<td>212,699</td>
<td>219,639</td>
<td>6,940</td>
<td>463</td>
<td>0.21%</td>
<td>8.9%</td>
<td>7.1%</td>
</tr>
<tr>
<td>45 to 49 years</td>
<td>189,063</td>
<td>206,111</td>
<td>17,048</td>
<td>1,137</td>
<td>0.58%</td>
<td>7.9%</td>
<td>6.7%</td>
</tr>
<tr>
<td>50 to 54 years</td>
<td>154,961</td>
<td>203,977</td>
<td>49,016</td>
<td>3,268</td>
<td>1.85%</td>
<td>6.5%</td>
<td>6.6%</td>
</tr>
<tr>
<td>55 to 59 years</td>
<td>106,712</td>
<td>191,909</td>
<td>85,197</td>
<td>5,680</td>
<td>3.99%</td>
<td>4.4%</td>
<td>4.2%</td>
</tr>
<tr>
<td>60 to 64 years</td>
<td>75,061</td>
<td>177,535</td>
<td>102,474</td>
<td>6,832</td>
<td>5.91%</td>
<td>3.1%</td>
<td>5.8%</td>
</tr>
<tr>
<td>65 to 69 years</td>
<td>62,191</td>
<td>133,553</td>
<td>71,362</td>
<td>4,757</td>
<td>5.23%</td>
<td>2.6%</td>
<td>4.3%</td>
</tr>
<tr>
<td>70 to 74 years</td>
<td>54,053</td>
<td>91,252</td>
<td>37,199</td>
<td>2,480</td>
<td>3.56%</td>
<td>2.3%</td>
<td>3.0%</td>
</tr>
<tr>
<td>75 to 79 years</td>
<td>44,103</td>
<td>57,025</td>
<td>12,922</td>
<td>861</td>
<td>1.73%</td>
<td>1.8%</td>
<td>1.9%</td>
</tr>
<tr>
<td>80 to 84 years</td>
<td>28,967</td>
<td>39,936</td>
<td>10,969</td>
<td>731</td>
<td>2.16%</td>
<td>1.2%</td>
<td>1.3%</td>
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<tr>
<td>85 years and over</td>
<td>24,103</td>
<td>45,389</td>
<td>21,286</td>
<td>1,419</td>
<td>4.31%</td>
<td>1.0%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Total</td>
<td>2,400,570</td>
<td>3,075,671</td>
<td>675,101</td>
<td>45,007</td>
<td>1.67%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Generational Category

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Generation Z (Born 2001 or later)</td>
<td>0</td>
<td>597,658</td>
<td>597,658</td>
<td>39,844</td>
<td>n/a</td>
<td>0.0%</td>
<td>19.4%</td>
</tr>
<tr>
<td>Millennials (Born 1981 to 2000)</td>
<td>672,317</td>
<td>887,964</td>
<td>215,647</td>
<td>14,376</td>
<td>1.87%</td>
<td>28.0%</td>
<td>28.9%</td>
</tr>
<tr>
<td>Generation X (Born 1965 to 1980)</td>
<td>605,295</td>
<td>690,268</td>
<td>84,973</td>
<td>5,665</td>
<td>0.88%</td>
<td>25.2%</td>
<td>22.4%</td>
</tr>
<tr>
<td>Baby Boomers (Born 1946 to 1964)</td>
<td>727,768</td>
<td>666,179</td>
<td>-61,589</td>
<td>-4,106</td>
<td>-0.59%</td>
<td>30.3%</td>
<td>21.7%</td>
</tr>
<tr>
<td>Silents or before (Born 1945 or before)</td>
<td>395,190</td>
<td>233,602</td>
<td>-161,588</td>
<td>-10,773</td>
<td>-3.44%</td>
<td>16.5%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Total</td>
<td>2,400,570</td>
<td>3,075,671</td>
<td>675,101</td>
<td>45,007</td>
<td>1.67%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Source: U.S. Census, ACS; Economic & Planning Systems
H:\E3063-Lakewood Housing Study\Data\E3063- Population by Age.xlsx|Table 2 - MSA Gen Growth
Table 6 illustrates this shift by age and generational categories for the City. In total, the City grew by just over 8,500 between 2000 and 2015. The results are that those born after 2001 accounted for nearly 24,400 of that net new population, or 70 percent of positive population change. Millennials accounted for 30 percent or nearly 10,200 of the positive population change. Unlike the MSA, the City lost nearly 5,300 Generation X’ers, which accounted for 20 percent of population loss. Also, the population of Baby Boomers dropped by 5,600, and the population of Silents also declined by more than 15,000 since 2000.

From the perspective of age categories, whereas the MSA added population in all age categories, the City has lost population in 7 of the 10 age categories under 50, accounting for a net loss of 5,400 persons under the age of 50. On the other hand, the population of those over 50 increased by nearly 14,000.

Table 6
Lakewood Population Change by Age, 2000–2015

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 5 years</td>
<td>8,685</td>
<td>8,392</td>
<td>-293</td>
<td>-20</td>
<td>-0.23%</td>
<td>6.0%</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>5 to 9 years</td>
<td>9,164</td>
<td>7,324</td>
<td>-1,840</td>
<td>-123</td>
<td>-1.48%</td>
<td>6.4%</td>
<td>4.8%</td>
<td></td>
</tr>
<tr>
<td>10 to 14 years</td>
<td>8,718</td>
<td>8,698</td>
<td>-20</td>
<td>-1</td>
<td>-0.02%</td>
<td>6.1%</td>
<td>5.7%</td>
<td></td>
</tr>
<tr>
<td>15 to 19 years</td>
<td>8,826</td>
<td>8,392</td>
<td>-434</td>
<td>-29</td>
<td>-0.34%</td>
<td>6.1%</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>20 to 24 years</td>
<td>10,527</td>
<td>11,749</td>
<td>1,222</td>
<td>81</td>
<td>0.74%</td>
<td>7.3%</td>
<td>7.7%</td>
<td></td>
</tr>
<tr>
<td>25 to 29 years</td>
<td>11,592</td>
<td>14,038</td>
<td>2,446</td>
<td>163</td>
<td>1.28%</td>
<td>8.0%</td>
<td>9.2%</td>
<td></td>
</tr>
<tr>
<td>30 to 34 years</td>
<td>10,652</td>
<td>11,444</td>
<td>792</td>
<td>53</td>
<td>0.48%</td>
<td>7.4%</td>
<td>7.5%</td>
<td></td>
</tr>
<tr>
<td>35 to 39 years</td>
<td>11,781</td>
<td>10,376</td>
<td>-1,405</td>
<td>-94</td>
<td>-0.84%</td>
<td>8.2%</td>
<td>6.8%</td>
<td></td>
</tr>
<tr>
<td>40 to 44 years</td>
<td>12,193</td>
<td>9,155</td>
<td>-3,038</td>
<td>-203</td>
<td>-1.89%</td>
<td>7.8%</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>45 to 49 years</td>
<td>11,275</td>
<td>8,392</td>
<td>-2,883</td>
<td>-192</td>
<td>-1.95%</td>
<td>7.8%</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>50 to 54 years</td>
<td>9,562</td>
<td>9,613</td>
<td>51</td>
<td>3</td>
<td>0.04%</td>
<td>6.6%</td>
<td>6.3%</td>
<td></td>
</tr>
<tr>
<td>55 to 59 years</td>
<td>7,478</td>
<td>11,749</td>
<td>4,271</td>
<td>285</td>
<td>3.06%</td>
<td>5.2%</td>
<td>7.7%</td>
<td></td>
</tr>
<tr>
<td>60 to 64 years</td>
<td>6,149</td>
<td>9,766</td>
<td>3,617</td>
<td>241</td>
<td>3.13%</td>
<td>4.3%</td>
<td>6.4%</td>
<td></td>
</tr>
<tr>
<td>65 to 69 years</td>
<td>5,572</td>
<td>7,629</td>
<td>2,057</td>
<td>137</td>
<td>2.12%</td>
<td>3.9%</td>
<td>5.0%</td>
<td></td>
</tr>
<tr>
<td>70 to 74 years</td>
<td>4,142</td>
<td>5,341</td>
<td>1,199</td>
<td>80</td>
<td>1.71%</td>
<td>2.9%</td>
<td>3.5%</td>
<td></td>
</tr>
<tr>
<td>75 to 79 years</td>
<td>3,362</td>
<td>3,510</td>
<td>148</td>
<td>10</td>
<td>0.29%</td>
<td>2.3%</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>80 to 84 years</td>
<td>2,305</td>
<td>3,357</td>
<td>1,052</td>
<td>70</td>
<td>2.54%</td>
<td>1.6%</td>
<td>2.2%</td>
<td></td>
</tr>
<tr>
<td>85 years and over</td>
<td>2,106</td>
<td>3,662</td>
<td>1,556</td>
<td>104</td>
<td>3.76%</td>
<td>1.5%</td>
<td>2.4%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>144,089</td>
<td>152,589</td>
<td>8,500</td>
<td>567</td>
<td>0.38%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

Table 6
Lakewood Population Change by Age, 2000–2015

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation Z</td>
<td>0</td>
<td>24,414</td>
<td>24,414</td>
<td>1,628</td>
<td>n/a</td>
<td>0.0%</td>
<td>16.0%</td>
<td></td>
</tr>
<tr>
<td>Millennials</td>
<td>35,393</td>
<td>45,624</td>
<td>10,231</td>
<td>682</td>
<td>1.71%</td>
<td>24.6%</td>
<td>29.9%</td>
<td></td>
</tr>
<tr>
<td>Generation X</td>
<td>35,127</td>
<td>29,846</td>
<td>-5,281</td>
<td>-352</td>
<td>-1.08%</td>
<td>24.4%</td>
<td>19.6%</td>
<td></td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>42,455</td>
<td>36,835</td>
<td>-5,620</td>
<td>-375</td>
<td>-0.94%</td>
<td>29.5%</td>
<td>24.1%</td>
<td></td>
</tr>
<tr>
<td>Silents or before</td>
<td>31,114</td>
<td>15,869</td>
<td>-15,245</td>
<td>-1,016</td>
<td>-4.39%</td>
<td>21.6%</td>
<td>10.4%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>144,089</td>
<td>152,589</td>
<td>8,500</td>
<td>567</td>
<td>0.38%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Census, ACS; Economic & Planning Systems
H:\R2063-Lakewood Housing Study\Data\R2063-Population by Age.xlsx|Table 3 - Lakewood Gen Grow
3. **Supply-Side Analysis**

This chapter describes supply-side data for the City of Lakewood, including housing inventory, residential development densities, occupancy and vacancy levels, age of the City’s inventory by year built, residential construction trends, existing home sales, and rental market trends. Much of the analysis of these data is completed using GIS. In order to show the cyclical nature of certain trends, many of the trends in these data series are also provided with points of geographic (such as the U.S., State, or MSA levels) or historical comparisons where data are available. Data sources used for this analysis include: U.S. Census, American Community Survey, City of Lakewood Building Department, Genesis Group MLS data, Costar/Apartments.com, the State and Metro Area Apartment Vacancy and Rent Surveys, as well as the Federal Housing Finance Agency (FHFA).

In general, the analysis points to a stable housing supply in the City. This stability is described both in terms of general occupancy and vacancy levels, tenure shift, as well as rates of ownership housing turnover. Other findings, such as the pace of residential construction activity in the City versus recent increases in magnitude of construction activity in the remainder of the MSA, point toward a challenge inherent in this stability. In other terms, an analysis of age of structure built illustrates that a predominance of the City’s housing inventory was built before 2000, confirmed by the trends in residential construction from the Building Department. While these recent increases in construction magnitude are pointing toward cyclical highs in the State and MSA’s inventory growth (facilitating population growth), the relative “build out” of the City (with the exception of areas identified for redevelopment) is preventing it from growing at a similar pace. These findings and their implications will be explored further as to what is contributing to these patterns, in an analysis of the regulatory context.

**Housing Inventory**

Between 2000 and 2015, the City of Lakewood’s total inventory of occupied and vacant housing grew by approximately 5,100 units (from 62,422 to 67,523 units). **Figure 12** illustrates the increase in housing inventory between 2000 and 2015 by Census tract. It should be noted that 14 Census tracts within Jefferson County were recoded between 2000 and the following decennial Census, replaced by 13 tracts of different coding and geographic areas, 12 of which are in the City, making a complete comparison of all areas within the City impossible. For tracts that did not change, however, it can be seen that the inventory of the central, west-central, and southeast areas generally gained the most housing while a few tracts in the northeast and south-central had net losses. Data from the City’s Building Department confirm these losses with a total of approximately 580 demolition permits (single-family detached and attached, duplexes, three- and four-plexes, as well as apartment buildings).
Housing Densities

One way to assess the homogeneity or diversity of the City’s housing supply is to identify its general densities. On a geographic basis, the presumption is that a homogeneous housing supply will be evidenced by relatively consistent densities throughout the city. On the other end of the spectrum, a diverse housing supply would be evidenced by inconsistent and widely ranging residential densities throughout the City. Figure 13 illustrates the assessment of gross densities throughout Lakewood using Census tract level data on total housing inventory and the total acreage contained within each tract.

The analysis does not reveal a clear finding of strict homogeneity or diversity of housing supply. A majority of tracts have gross densities that are relatively low, falling between 2 to 4 dwelling units per acre, but there are also tracts with much higher and much lower gross densities, ranging between less than one unit per acre up to more than 11 units per acre. It should be noted that gross density is calculated as the total number of housing units divided by the total acreage for each Census Tract. Total acreage includes streets, open space, and non-residential development. For example, some tracts close to Denver, along Highway 6, and along Colfax Avenue have higher densities while tracts near open space to the southwest and more recently-development parts of the southwest have lower densities.
Figure 13
Gross Housing Density per Acre, 2015
Housing Types

Another way to assess the homogeneity or diversity of housing is to look at the inventory of units by the number of units in structures, as illustrated in Table 7. Using data representative of 2015 from the U.S. Census, the analysis shows that 50 percent of Lakewood’s housing inventory falls into the single-family detached category with another 10 percent single-family attached (which can be interpreted as duplexes, triplexes or quads in the same way that 2-unit, and 3-/4-units in structure can also be interpreted). In total, Lakewood seems to have approximately 60 percent single-family housing (including what might be considered single-family detached as well as duplexes) while the MSA seems to have approximately 68 percent.

The differences in housing type, however, appear when calculated the portion of housing classified as buildings with 2 or more “apartments”\(^8\). In total, 35 percent of the City’s housing stock falls into the categories of housing units in buildings with 2 to 49 apartments, while 25 percent of the MSA’s inventory falls into this category. At the other end of the spectrum, an estimated 5 percent of Lakewood’s inventory is classified as housing in buildings with 50 or more apartments, while 8 percent of the MSA’s inventory falls into this category.

Table 7
Units in Structure by County, 2015

<table>
<thead>
<tr>
<th>Units by Type</th>
<th>2015 (units in structure)</th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SFD</td>
<td>SFA</td>
<td>2-units</td>
<td>3-unit / 4-unit</td>
<td>5 to 9 units</td>
<td>10 to 19</td>
<td>20 to 49</td>
</tr>
<tr>
<td>Adams</td>
<td>101,544</td>
<td>12,573</td>
<td>1,149</td>
<td>4,174</td>
<td>7,380</td>
<td>13,110</td>
<td>9,501</td>
</tr>
<tr>
<td>Arapahoe</td>
<td>138,208</td>
<td>23,839</td>
<td>1,873</td>
<td>6,711</td>
<td>14,756</td>
<td>23,471</td>
<td>19,003</td>
</tr>
<tr>
<td>Denver</td>
<td>138,561</td>
<td>23,457</td>
<td>6,876</td>
<td>10,427</td>
<td>13,789</td>
<td>28,377</td>
<td>33,025</td>
</tr>
<tr>
<td>Douglas</td>
<td>92,844</td>
<td>8,736</td>
<td>135</td>
<td>1,749</td>
<td>4,597</td>
<td>5,403</td>
<td>3,529</td>
</tr>
<tr>
<td>Jefferson</td>
<td>153,971</td>
<td>21,479</td>
<td>2,553</td>
<td>7,625</td>
<td>14,426</td>
<td>14,746</td>
<td>12,005</td>
</tr>
<tr>
<td>Total</td>
<td>625,128</td>
<td>90,084</td>
<td>12,586</td>
<td>30,686</td>
<td>52,948</td>
<td>85,107</td>
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<tr>
<td>Lakewood</td>
<td>33,286</td>
<td>6,805</td>
<td>1,445</td>
<td>3,332</td>
<td>5,798</td>
<td>7,422</td>
<td>5,672</td>
</tr>
</tbody>
</table>

Units as % of Total

<table>
<thead>
<tr>
<th>Units by Type</th>
<th>Adams</th>
<th>Arapahoe</th>
<th>Denver</th>
<th>Douglas</th>
<th>Jefferson</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams</td>
<td>66%</td>
<td>57%</td>
<td>46%</td>
<td>77%</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>Arapahoe</td>
<td>8%</td>
<td>10%</td>
<td>8%</td>
<td>7%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Denver</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>46%</td>
</tr>
<tr>
<td>Douglas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>77%</td>
</tr>
<tr>
<td>Jefferson</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>66%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>59%</td>
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</table>

Lakewood

<table>
<thead>
<tr>
<th>Units as % of Total</th>
<th>Adams</th>
<th>Arapahoe</th>
<th>Denver</th>
<th>Douglas</th>
<th>Jefferson</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lakewood</td>
<td>50%</td>
<td>10%</td>
<td>2%</td>
<td>5%</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>as % difference from MSA</td>
<td>-10%</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: U.S. Census; Economic & Planning Systems

---

\(^8\) The U.S. Census asks survey takers to indicate the type of housing they live in by the following terms: “a one-family house detached from any other house, a one-family house attached to one or more houses, a building with 2 apartments, a building with 3 or 4 apartments, a building with 5 to 9 apartments, a building with 10 to 19 apartments, a building with 20 to 49 apartments, and a building with more than 50 apartments.”
Tenure

In 2000, 39 percent of households were renters and 61 percent were owner households. As illustrated by Figure 14, some parts of the City had higher proportions of renter households than other parts, such as many throughout the northern area of the City as well as a few tracts through the southern area.

Figure 14
Renter Household Proportions by Tract, 2000
While not a significant shift, by 2015 the overall proportion of renter households had increased to 41 percent with the owner household share at 59 percent. Figure 15 illustrates how renter household proportions changed by Census tract. Many of the tracts in the City’s north had average renter household proportions well above the citywide average, ranging generally between 50 and 72 percent. The west-central parts of the City, which are newer residential areas, indicate very low renter household proportions, i.e., where ownership households are in the majority.

Figure 15
Renter Household Proportions by Tract, 2015
Figure 16 illustrates that tenure in the City has remained relatively stable since 2000. Minor shifts up and down have contributed to a narrow swing in ownership rates between 56 percent (2012 and 2014) and 63 percent (2007), a finding consistent with household experience at the high point of the housing bubble and generally the low point of the recovery.

**Figure 16**

*Historic Tenure Shifts, 1980-2015*

![Tenure Shifts Diagram](image)
Housing Vacancy

**Figure 17** illustrates the shifts in vacancy rates by Census tract between 2000 and 2015. Positive percentages indicate an increase in the vacancy rate among the housing inventory, and negative percentages indicate a decrease in the vacancy rate (increase in the occupancy rates). Vacancy levels were most stable in the Census tracts along Colfax east to west as well as north to south between Kipling and Sheridan.

**Figure 17**

*Vacancy Rate Shifts by Tract, 2000-2015*
Figure 18 illustrates the portion of housing inventory that is vacant by Census tract among the existing inventory as of 2015. Vacancy rates are generally higher in the northern parts of the City, with the exception of a few Census tracts in the south that also have relatively high vacancy rates. Overall, the City’s vacancy rate in 2015 was 2.8 percent, equating to approximately 1,900 vacant units.

**Figure 18**
*Vacancy Rates by Tract, 2015*
As noted in the discussion of Figure 12 on page 31, the City’s total inventory of occupied and vacant housing increased by 5,100 units between 2000 and 2015. Figure 19 illustrates that the housing vacancy rate between 2000 and 2015 started at 3.0 percent in 2000 and ended at 2.8 percent in 2015. By comparison, the most current (2015) vacancy rate in Jefferson County is 3.7 percent, whereas the 7-county Denver MSA’s vacancy rate is 4.5 percent. (Boulder County’s vacancy rate is the highest at 5.9 percent, but the City and County of Denver’s inventory of vacant housing is the highest at 16,900 units.)

While fluctuating up and down between approximately 4.0 and 6.4 percent, the fact that the City began and ended this period of analysis with effectively the same vacant rate means that the increase in number of total and occupied housing units were approximately the same. According to the analysis, the inventory of occupied housing increased by 5,115 units (by comparison to the overall increase in housing of 5,100 units).

**Figure 19**
Housing Inventory and Vacancy Rates, 2000-2015

![Housing Inventory and Vacancy Rates, 2000-2015](chart.png)

Source: U.S. Census; Economic & Planning Systems
**Jobs to Housing**

The significance of this vacancy rate trend is not that the findings are important in themselves, but interpreted simultaneously with the growth of jobs and total housing inventory, they indicate that Lakewood’s jobs to housing ratio has changed to a greater degree than any other part of the MSA, as illustrated in Table 8. Between 2000 and 2015, the MSA, as defined by just five counties as shown, added 186,200 jobs and nearly 200,600 occupied housing units, representing a ratio of nearly 1 job per 1 housing unit. Lakewood, on the other hand, added nearly 16,600 jobs and only 5,100 occupied housing units, a ratio of more than 3 jobs to 1 housing units. Adding to this consideration the fact that the vacancy rate is not any lower than it is means that the City has not utilized its existing inventory any more efficiently than it was in 2000.

**Table 8**

**Jobs to Housing Trends, 2000-2015**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams</td>
<td>152,653</td>
<td>128,156</td>
<td>1.2</td>
<td>206,324</td>
<td>159,313</td>
<td>1.3</td>
<td>53,671</td>
<td>31,157</td>
</tr>
<tr>
<td>Arapahoe</td>
<td>299,585</td>
<td>190,909</td>
<td>1.6</td>
<td>337,023</td>
<td>233,937</td>
<td>1.4</td>
<td>37,438</td>
<td>43,028</td>
</tr>
<tr>
<td>Denver</td>
<td>496,361</td>
<td>239,235</td>
<td>2.1</td>
<td>509,483</td>
<td>287,074</td>
<td>1.8</td>
<td>13,122</td>
<td>47,839</td>
</tr>
<tr>
<td>Douglas</td>
<td>61,114</td>
<td>60,924</td>
<td>1.0</td>
<td>122,621</td>
<td>118,613</td>
<td>1.0</td>
<td>61,507</td>
<td>57,689</td>
</tr>
<tr>
<td>Jefferson</td>
<td>222,859</td>
<td>206,067</td>
<td>1.1</td>
<td>243,321</td>
<td>226,920</td>
<td>1.1</td>
<td>20,462</td>
<td>20,853</td>
</tr>
<tr>
<td>Total</td>
<td>1,232,572</td>
<td>825,291</td>
<td>1.5</td>
<td>1,418,773</td>
<td>1,025,857</td>
<td>1.4</td>
<td>186,201</td>
<td>200,566</td>
</tr>
<tr>
<td>Lakewood</td>
<td>[Note 1]</td>
<td>61,614</td>
<td>60,531</td>
<td>1.0</td>
<td>78,190</td>
<td>65,646</td>
<td>1.2</td>
<td>16,576</td>
</tr>
</tbody>
</table>

[Note 1]: Jobs shown for 2000 are actually the total for 2001.
Source: U.S. Census; BLS; Economic & Planning Systems
Age of Structure

Figure 20 illustrates by Census tract the portion of all (owner and renter) inventory built before 1980. In total, approximately 72 percent of the City’s inventory was built before 1980. For tracts located closer to the core of the Metro Area, up to 93 percent of the existing inventory was built before this time. For tracts located to the southwest, less than half to almost none of the existing inventory was built before this time.

Figure 20
Percent of Existing Inventory Built Before 1980
Another composite of the inventory data is illustrated in Figure 21, which shows the portion of existing inventory by tract built between 1980 and 2000. In total, approximately 21 percent of the City’s inventory was built during this period. In the older parts of the City, generally less than 10 percent of existing inventory was built during this time, but in newer parts more than 50 percent was built.

Figure 21
Percent of Existing Inventory Built Between 1980 and 2000

![Map showing the percentage of existing inventory built between 1980 and 2000. The map is divided into various tracts with different shades indicating the percentage. The legend shows the color coding for different percentage ranges: 20% or less, 21% to 40%, 41% to 60%, 61% to 80%, and 81% or more.]
As a final component of this data series, Figure 22 illustrates the portion of existing inventory built since 2000. In total, only 7 percent (fewer than 4,700 units) of the City's existing inventory was built during the previous 15 years. With the exception of a few Census tracts, the purpose of this is to visualize the finding that only a very small portion of the City's existing inventory was built during this time. This is also apparent in the following analysis of building permit data.

**Figure 22**
Percent of Existing Inventory Built After 2000
Residential Construction Activity

**Figure 23** illustrates the location of residential development activity in the City between 2000 and 2016 (through the end of September). In the south, approximately one-third of all permits were issued in the Rooney Valley and Summit Glen subdivisions north of Morrison Road and east of C-470. Other areas of concentrated development occurred in the Illiff Ridge along Kipling south of Jewell Avenue, as well as along Jewell between Sheridan and Wadsworth. Much of the multifamily construction activity occurred in Belmar, which accounts for more than 10 percent of permit activity.

**Figure 23**
Location of Lakewood Building Permits, 2000-2016
**Figure 24** illustrates a longer-term perspective on residential construction between 1987 and 2015 in Colorado. During this time, there have been two general cycles, one of which is documented entirely by this chart (1989 to 2009), the other of which has yet to peak. The graph illustrates a normalization of each trend with annual activity as an index of 1987 activity. It illustrates how similar the high and low points of the cycles are for the MSA and State, where activity generally peaked at approximately 260 to 300 percent of 1987 levels in 2000 and fell to approximately 30 percent of 1987 levels in 2009 and 2010.

**Figure 24**

In terms of actual construction, **Figure 25** illustrates total units permitted, averaging 520 units per year. Except for the previous two to three years, the trend visualizes that the City has not experienced magnitudes of residential construction like it did in 2014 since before 2000.

**Figure 25**
Lakewood Residential Construction Activity, 1987-2015
Figure 26 illustrates the location of building permits in the City during the last 16 years. The permits are illustrated also by type, distinguishing between single-family detached housing (small black dots), single-family attached (small orange dots), duplexes (blue dots), triplexes and quads (purple squares), and other multi-family buildings with five or more units (red squares).

**Figure 26**  
Location of Building Permits by Type, 2000-2016
Figure 27 illustrates targeted growth areas identified in Chapter 5 of the City's Comprehensive Plan. Even though the growth areas were identified through a process and plan that was completed recently in 2015, there is considerable alignment between concentrations of building activity and the growth areas.

**Figure 27**

Comprehensive Plan Growth Areas
Residential Sales Activity

Figure 28 illustrates the location of all sales of new and existing homes (attached single-family, detached single-family, and multifamily) between 2000 and 2016, a sample of 36,707 sales.

Figure 28
Home Sales, 2000-2016
Figure 29 illustrates the average sales price of homes sold in the City by Census Tract in 2000. Citywide, the average price of a home was approximately $185,700 ($127 per square-foot for an average 1,460 square-foot home). The average price of an attached home (including townhome, duplexes, or condominiums) was approximately $126,900 with an average size of 1,100 square feet. The average price of a single-family detached home was approximately $227,200 with an average size of 1,700 square feet.

Figure 29
Average Sales Prices, 2000
Figure 30 illustrates how the average sales prices by Census tract increased considerably throughout the City. Overall, the average price of a home nearly doubled at an increase of 82 percent to approximately $337,600. This equates to $159 per square foot for a 2,100 square-foot home (nearly 700 square feet larger than the average home sold in 2000). By 2016, the average 1,400 square-foot attached home sold for approximately $228,800, and the average single-family 2,600 square-foot detached home sold for approximately $405,500.

Figure 30
Average Sales Prices, 2016
Using datasets from the previous two charts, **Figure 31** illustrates the average price appreciation in home sales by Census Tract between 2000 and 2016. At the City level, home prices appreciated 3.8 percent per year, attached homes appreciated at 3.8 percent, and single-family detached homes appreciated at 3.7 percent. Areas with generally the highest overall price appreciation were those closest to Denver east of Kipling and north of Jewell.

**Figure 31**
Sales Price Appreciation, 2000-2016
But during the 16-year timeframe, housing prices have risen, fallen, and risen again. To separate the cycle in the first part of the 2000s, Figure 31 illustrates the average price appreciation in home sales by Census Tract between 2011 and 2016. Citywide, home prices appreciated at 10.5 percent per year, attached home prices appreciated at 13.4 percent, and single-family detached home prices appreciated at 10.1 percent. In general, the highest rates of housing price appreciation occurred in areas closest to Denver, with many of the highest increases near Sloan’s Lake north of Colfax.

Figure 32
Sales Price Appreciation, 2011-2016
Figure 33 illustrates how home sales prices in the City of Lakewood, the Denver MSA, and the U.S. appreciated between 2000 and 2016. Most notable is how differently the Metro Area and the nation experienced the national housing bubble. While the average home price nationwide was escalating at 7.9 percent annually between 2000 and 2006, the average home price in Lakewood and the MSA was escalating at just 4.4 percent annually.

As a result, the market’s correction (decline in average sales prices) in the subsequent four to five years was not as pronounced as at the national level. National average prices dropped a total of 19 percent between 2006 and 2011 (accounting for the national economic recession of 2007 through 2009 and two years of stagnant economic conditions), while average prices in the City dropped only 15 percent, and at the MSA level prices dropped only 5 percent.

Following the recovery, the City and MSA have experienced housing price escalation at considerably higher rates than the country. Nationally, housing prices have risen 5.1 percent annually since 2011, but in the City they have increased by 10.5 percent annually, as indicated previously, and 9.9 percent annually at the MSA level.

Figure 33
Indexed Home Price Escalation, 2000-2016
**Figure 34** illustrates that the average sales price of a home in Lakewood has increased to approximately $338,000 from $186,000 in 2000, an 82 percent increase. Between 2000 and 2006, housing sales price appreciation averaged 4.4 percent per year rising to nearly $241,000 in 2006. Between 2006 and 2011, the average price of a resale dropped to approximately $205,000, reflecting an average annual decline of 3.2 percent. Since 2011, however, and like the rest of the Denver MSA, average prices have escalated by substantial rates. The average price climbed to nearly $338,000 by 2016, reflecting an annual price appreciation of 10.5 percent. It should be noted that 2016 volume numbers reflect a partial year of data (only through September).

**Figure 34**
Home Price Escalation, 2000-2016

**Figure 35** illustrates how the volume of sales in the City has returned to a general magnitude on par with units sold during the early 2000s.

**Figure 35**
Sales Volume, 2000-2015
Ownership Housing Turnover

Figure 36 illustrates the portion of existing ownership housing that was sold (called turnover) in 2015 by Census tract. In total, 5 percent of the City’s ownership housing sold during the year. Lower rates would tend to indicate areas of greater stability, while areas with higher rates would indicate areas of more rapid change demographically or socio-economically.

Figure 36
Ownership Housing Inventory Turnover, 2015
Rental Market Activity

Figure 37 illustrates the long-term patterns of the rental market's monthly rental rates and vacancy rates for the Denver MSA. One of the noteworthy findings of this pattern is the ten-year cycle of these two trends. Between 1981 and 1990, following a major boom in apartment construction, vacancy rates shot up to 14 percent, while average monthly rents increased at 1.3 percent per year for 10 years. As occupancy levels increased with increased population growth to 1990, vacancy rates remained around 5 percent or lower for the following 10-year period, during which average rents increased at 7.4 percent annually. In early 2001, also following a massive boom in apartment construction (typically stimulated by sub-5 percent vacancies), MSA vacancy rates jumped to 13 percent. Between 2001 and 2010 when demand began to increase, occupancies and the vacancy rate dropped and average rents increased at 1.1 percent per year. But in 2010 following the Great Recession, vacancy rates fell below 5 percent, which has stimulated the most recent spike in multifamily construction activity and led to an escalation in monthly rents of 8.1 percent per year; this has continued for the past six years.

Figure 37
Denver MSA Vacancy and Rent Trends, 1981-2016
Although data are not available going back as far, Figure 38 illustrates the rental market trends of the past 16 years. As previously visualized, MSA vacancies in 2001 had been relatively low for the previous 10 years, which led to a boom in apartment construction. Rents had also been on a rapid uphill climb since 1990. In 2001, however, vacancy rates increased rapidly at the MSA level and to nearly 11 percent in the City of Lakewood followed by a 10-year stretch of stagnating rents (0.0 percent change on an annual basis). In 2010, vacancy rates began to dip below 5 percent at the MSA and City levels, stimulating construction as well as rapid price escalation. In the City, average rents have escalated at 9.7 percent since 2010. Also as illustrated in the previous chart, vacancy rates continue to fluctuate in and around the 5 percent mark, indicating a continuation of the current construction cycle.

Figure 38
Lakewood Vacancy and Rent Trends, 2000-2016

Source: Metro Area Apartment Vacancy & Rent Survey; Costar; Economic & Planning Systems
H:\163063-Lakewood Housing Study\Data\163063-Rental Market Vacancy.xlsx\DATA
To illustrate how similarly the City’s apartment market has behaved, **Figure 39** illustrates a comparison of vacancy rates to the Denver MSA and State of Colorado. Paralleling the State and MSA, the fluctuation in the City’s vacancy rate has been slightly less pronounced.

**Figure 39**
Vacancy Rate Trends, 2000-2015

In regards to how similarly rental rates in the City have paralleled the State and MSA, **Figure 40** illustrates not only how closely aligned the stagnation of average rates was between 2000 and 2010, but also how homogenous the rental rates are throughout the State. (The City’s average monthly rent has historically been 7 percent below the MSA average since 2000.)

**Figure 40**
Rental Rate Trends, 2000-2015
4. **Stated Preferences**

This chapter details the findings of the Lakewood workforce survey. The findings reveal useful patterns of choice, or stated preference, by age level, such that can be juxtaposed against a backdrop of housing supply, community assets and amenities. Demographic and socioeconomic characteristics of the survey respondents were noted to ensure alignment with the City of Lakewood’s population – i.e. that the results of the survey are statistically valid.

The survey was fielded between the beginning of December 2016 and March 2017. Additional time in leaving the survey “in the field” was granted for this project because it was fielded through the human resources departments at various major City of Lakewood employers. As such, time was allowed for coordination of this effort to ensure that the results represented the City’s major employers. These efforts yielded a total of 1,344 survey responses, approximately 490 of whom were both residents and workers in the City.

As with any stated preference survey, it should be noted that any such survey is subject to interpretation of results and that they are not scientific or completely reliable indications of what will happen in the future. They are, as intended for use and consideration in this study, best applied as guides to understanding the preferences of individuals and households regarding what is driving their decisions now and understanding what may guide their decisions in the future.

**Characteristics of Choice**

This section is devoted to detailing the different findings of how Lakewood’s workforce, represented by survey respondents, choose where to live. Considerable national research has been devoted to this subject, and EPS’s approach has been guided by an interest in bringing information to the City of Lakewood that is most relevant given current local and national political interests and discourse.

Housing choices are made based on a wide variety of factors from stage-of-life needs, physical characteristics, as well as neighborhood and community characteristics. Some of these overarching components are more important at different stages of life (e.g. consideration of housing price for first-time homebuyers), and others are consistently important to households (e.g. a sense of safety and security in their home). Each section below details the respective categories of housing choice and summarizes the findings of the survey.

**Stage of Life Needs**

An individual’s or household’s stage of life drives housing choice to a degree. Singles tend not to be interested in a large house on a large lot, because their lifestyle and household type don’t demand it. A family with numerous children, however, does have a greater need for a larger home and lot. Yet, as many singles become couples building families, their considerations change.

In this regard, stage-of-life needs are a way to interpret the results here. To do so, each section presents information across the age spectrum as well as by current versus their stated future housing choice preferences. The intent is to gain a deeper understanding of how Lakewood’s
workforce identifies factors that are and will likely be most important to them as they anticipate (at the very least) life stage changes in the next five years.

As will be shown throughout this section, the answer to that question is predominately that most of the considerations, for example, such as interest in higher-density housing types that, a willingness to endure relatively less privacy between housing units, and a desire to live in close proximity to amenities are largely stage-of-life driven. And while the focus of national discourse tends to focus on Millennials and their desires (which are driving many of today’s highly-amenitized luxury apartment projects), attention should also be placed on the needs of the population that is approaching retirement. As such, the results for each of the features depicted are broken down by age category: under 35s, those 35 to 54, and those 55 and older.

**Physical Features**

Among the most direct choices made in choosing where to live, the following series of charts display how respondents rate the following types of physical home features, including the type of unit, its size, energy efficiency, historic character, and construction quality, as well as price, factor into the workforce’s decisions. Displayed below illustrate the ranking of highest to lowest relative importance based on the portion of respondents that indicated various factors were “very important” to their current (Figure 41) and future (Figure 42) housing choices.

**Figure 41**

*Importance of Physical Features Choice Factors*

<table>
<thead>
<tr>
<th>Physical Features</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
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<tbody>
<tr>
<td>Cost</td>
<td>1%</td>
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<tr>
<td>Quality construction</td>
<td>2%</td>
<td>9%</td>
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<td>50%</td>
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<tr>
<td>Privacy between homes</td>
<td>9%</td>
<td>23%</td>
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<td>35%</td>
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<td>Home size</td>
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<td>27%</td>
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<tr>
<td>Historic character</td>
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<tr>
<td>Low maintenance</td>
<td>32%</td>
<td>32%</td>
<td>21%</td>
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</table>

**Figure 42**

*Importance of Physical Features to Future Choice Factors*

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<thead>
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<th>Physical Features</th>
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<th>Moderately</th>
<th>Very</th>
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</thead>
<tbody>
<tr>
<td>Cost</td>
<td>2%</td>
<td>6%</td>
<td>27%</td>
<td>65%</td>
</tr>
<tr>
<td>Quality construction</td>
<td>2%</td>
<td>8%</td>
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<td>7%</td>
<td>17%</td>
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<td>38%</td>
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<td>Home size</td>
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<tr>
<td>Historic character</td>
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<td>31%</td>
<td>20%</td>
</tr>
<tr>
<td>Low maintenance</td>
<td>23%</td>
<td>27%</td>
<td>28%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
**Neighborhood Features**

This section presents respondent preferences regarding neighborhood characteristics or more broadly, elements of the immediate surroundings that impact one’s sense of neighborhood, such as sense of safety and security, privacy, the presence of parks, trails and open space, sidewalks, streetscaping.

**Figure 43**
Importance of Neighborhood Features Choice Factors

<table>
<thead>
<tr>
<th>Neighborhood Features</th>
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<th>Slightly</th>
<th>Moderately</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Sense of safety</td>
<td>1%</td>
<td>21%</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td>4%</td>
<td>9%</td>
<td>41%</td>
<td>46%</td>
</tr>
<tr>
<td>Sense of privacy</td>
<td>2%</td>
<td>13%</td>
<td>39%</td>
<td>45%</td>
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<tr>
<td>Range of housing types</td>
<td>17%</td>
<td>27%</td>
<td>39%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
H:\163063-Lakewood Housing Study\2017\Excel Survey\source\031717.xlsx

**Figure 44**
Importance of Neighborhood Features to Future Choice Factors

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<thead>
<tr>
<th>Neighborhood Features</th>
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<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense of safety</td>
<td>18%</td>
<td>17%</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td>3%</td>
<td>10%</td>
<td>36%</td>
<td>51%</td>
</tr>
<tr>
<td>Sense of privacy</td>
<td>2%</td>
<td>11%</td>
<td>39%</td>
<td>48%</td>
</tr>
<tr>
<td>Range of housing types</td>
<td>13%</td>
<td>28%</td>
<td>41%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
H:\163063-Lakewood Housing Study\2017\Excel Survey\source\031717.xlsx
Community Features

In some ways, neighborhood and community characteristics are identical. Neighborhood amenities, such as restaurants, shopping, and entertainment may be in walking distance and lend themselves toward a “sense of community” or “place”. As such, this section details preferences for living in proximity to various types of amenities, such as in walking distance to shops, restaurants, and entertainment or transit options. It also details the preferences for living in proximity to work, which mode of transportation they prefer to use for their commute, and how they view these preferences changing in the future.

**Figure 45**
Importance of Community Features to Choice Factors

<table>
<thead>
<tr>
<th>Community Features</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short commute to work</td>
<td>8%</td>
<td>12%</td>
<td>31%</td>
<td>49%</td>
</tr>
<tr>
<td>Walk to parks, recreation</td>
<td>6%</td>
<td>11%</td>
<td>39%</td>
<td>44%</td>
</tr>
<tr>
<td>Quality public schools</td>
<td>24%</td>
<td>17%</td>
<td>21%</td>
<td>38%</td>
</tr>
<tr>
<td>Walk to shops, restaurants</td>
<td>15%</td>
<td>25%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Walk to rail, bus stop</td>
<td>19%</td>
<td>25%</td>
<td>32%</td>
<td>24%</td>
</tr>
<tr>
<td>Walk to schools</td>
<td>43%</td>
<td>20%</td>
<td>22%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

**Figure 46**
Importance of Community Features to Future Choice Factors

<table>
<thead>
<tr>
<th>Community Features</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short commute to work</td>
<td>10%</td>
<td>12%</td>
<td>34%</td>
<td>45%</td>
</tr>
<tr>
<td>Walk to parks, recreation</td>
<td>4%</td>
<td>11%</td>
<td>37%</td>
<td>47%</td>
</tr>
<tr>
<td>Quality public schools</td>
<td>25%</td>
<td>14%</td>
<td>20%</td>
<td>40%</td>
</tr>
<tr>
<td>Walk to shops, restaurants</td>
<td>10%</td>
<td>23%</td>
<td>35%</td>
<td>33%</td>
</tr>
<tr>
<td>Walk to rail, bus stop</td>
<td>12%</td>
<td>22%</td>
<td>36%</td>
<td>29%</td>
</tr>
<tr>
<td>Walk to schools</td>
<td>36%</td>
<td>21%</td>
<td>23%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
Distinctions by Age Group

The purpose of this section is to present the same data in a way that reveals distinctions between how each age group considers various factors affecting their current and future housing choice.

Under 35s

Current Considerations

The following Figure 47 through Figure 49 illustrate how this age group currently sees the various aspects of physical, neighborhood, and community features important to their consideration of where to live. Each element is listed within its respective graphic according to the overall ranking given by all age groups; thus revealing where there are any distinctions between the priority order given to it in general and by the specific age group.

Figure 47 shows that, like everyone else, housing cost is the primary consideration of physical features with approximately 7 out of 10 saying that it’s very important. The second characteristic, however, only garners 39 percent who say that quality of construction is very important. In fact, when interpreted relative to the other age groups, it appears that this age group is rather indifferent to the following five characteristics (quality of construction, privacy between homes, home size, etc.).

Figure 47
Importance of Physical Features for Under 35s

<table>
<thead>
<tr>
<th>Physical Features</th>
<th>Series1</th>
<th>Series2</th>
<th>Series3</th>
<th>Series4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>1%</td>
<td>26%</td>
<td>69%</td>
<td>39%</td>
</tr>
<tr>
<td>Quality construction</td>
<td>2%</td>
<td>20%</td>
<td>39%</td>
<td>39%</td>
</tr>
<tr>
<td>Privacy between homes</td>
<td>17%</td>
<td>29%</td>
<td>33%</td>
<td>21%</td>
</tr>
<tr>
<td>Home size</td>
<td>4%</td>
<td>28%</td>
<td>50%</td>
<td>17%</td>
</tr>
<tr>
<td>Historic character</td>
<td>26%</td>
<td>32%</td>
<td>27%</td>
<td>15%</td>
</tr>
<tr>
<td>Low maintenance</td>
<td>35%</td>
<td>28%</td>
<td>23%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
H:\163063-Lakewood Housing Study\Data\163063-survey_selection-031717.xlsx\TABLE A - Current Importance
When considering neighborhood features, as with the other age groups, the sense of safety is very important to nearly 7 out of 10 under 35s, as shown in Figure 48. Well-designed sidewalks are very important to nearly half of this age group, but a sense of privacy seems to be very important to only a third of them. As for a range of housing types in the neighborhood, only 10 percent indicated that it was very important with 66 percent saying it was either slightly or moderately important.

**Figure 48**
Importance of Neighborhood Features for Under 35s

<table>
<thead>
<tr>
<th>Neighborhood Features</th>
<th>Sense of Safety</th>
<th>Well-designed Sidewalks</th>
<th>Sense of Privacy</th>
<th>Range of Housing Types</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>08%</td>
<td>29%</td>
<td>68%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3%</td>
<td>8%</td>
<td>42%</td>
<td>47%</td>
</tr>
<tr>
<td></td>
<td>3%</td>
<td>24%</td>
<td>39%</td>
<td>33%</td>
</tr>
<tr>
<td></td>
<td>23%</td>
<td>30%</td>
<td>36%</td>
<td>10%</td>
</tr>
</tbody>
</table>

In the two previous charts, the priority order of this age group’s considerations has been the same as for the larger whole, but in Figure 49, several of the considerations change priority order. For example, instead of a short commute to work being very important to the largest portion of this age group, it is being able to walk to parks and recreation. A short commute to work is the second, followed by being able to walk to shops, restaurants. And indicative of their household types (which are predominately single-person households), quality of schools is only as important as being able to walk to a rail station or bus stop. Being able to walk to schools is the least important to this group.

**Figure 49**
Importance of Community Features for Under 35s

<table>
<thead>
<tr>
<th>Community Features</th>
<th>Short Commute to Work</th>
<th>Walk to Parks, Recreation</th>
<th>Quality Public Schools</th>
<th>Walk to Shops, Restaurants</th>
<th>Walk to Rail, Bus Stop</th>
<th>Walk to Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>2%</td>
<td>14%</td>
</tr>
<tr>
<td></td>
<td>33%</td>
<td>32%</td>
<td>22%</td>
<td>15%</td>
<td>21%</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>56%</td>
<td>31%</td>
<td>44%</td>
<td>35%</td>
<td>19%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
H:\163063-Lakewood Housing Study\data\201602-survey
selection-031717.xlsx\Table A - Future Importance
Delving specifically into how this age group differs from the others, Table 9 illustrates the difference between the Under 35s and each other age group that sees the various features as very important. The positive percentages indicate which feature is more important to the Under 35s than other age groups, and the negative percentages indicate which features are relatively less important to the Under 35s.

As for physical considerations, the Under 35s are much more cost conscious than the other age groups, but less concerned with each of the other considerations. As for the neighborhood considerations, Under 35s seem generally less concerned with any of these aspects than the other age groups except for the slightly higher portion that sees well-designed sidewalks as very important by comparison to the 35 to 54s. And as for community features, the Under 35s are much more concerned with being able to walk to parks and recreation, shops and restaurants, as well as walking to rail stations or bus stops than the other groups. They are more interested in having a short commute to work than the Over 55s (though less so than 35 to 54s), and more interested in being able to walk to schools than the Over 55s (also less so than the 35 to 54s). As indicated earlier, their interest in quality public schools is relatively less than either of the other age groups.

Table 9
How Under 35s Differ in Their “Very Important” Ratings Currently

<table>
<thead>
<tr>
<th></th>
<th>Physical Features</th>
<th></th>
<th>Neighborhood Features</th>
<th>Community Features</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>35 to 54s</td>
<td>over 55s</td>
<td>35 to 54s</td>
<td>over 55s</td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality construction</td>
<td>-14%</td>
<td>-18%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Privacy between homes</td>
<td>-11%</td>
<td>-14%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home size</td>
<td>-7%</td>
<td>-5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Historic character</td>
<td>-4%</td>
<td>-11%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low maintenance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sense of safety</td>
<td>-7%</td>
<td>-12%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td>3%</td>
<td>-4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sense of privacy</td>
<td>-6%</td>
<td>-25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Range of housing types</td>
<td>-8%</td>
<td>-15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short commute to work</td>
<td>-1%</td>
<td>2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walk to parks, recreation</td>
<td>13%</td>
<td>14%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality public schools</td>
<td>-10%</td>
<td>-3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walk to shops, restaurants</td>
<td>11%</td>
<td>22%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walk to rail, bus stop</td>
<td>7%</td>
<td>8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walk to schools</td>
<td>-2%</td>
<td>1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

\[H:\163063-Lakewood Housing Study\Data\[163063-survey selections-0317.xlsx\]TABLE A3 - under 35 current\]
**Future Considerations**

Table 10 illustrates the difference between the portion of Under 35s that rated each housing feature a “very important” by comparison to three of metrics: 1) compared to how Under 35s said each element was “very important” to them currently; 2) compared to the portion of 35 to 54s that said each element would be “very important” to them in the next five years; and 3) compared to the portion of Over 55s that said each element would be “very important” to them in the next five years.

First of all, the left column of percentages illustrate that much larger portions of this age group anticipate quality of construction, privacy between homes, and home size to be more important in choosing where to live five years from now than it said of their decisions today. Much larger portions of them also said that all of the neighborhood features would be more important to them in the next five years, as well as all but one of the community features. Most notably are the significantly larger portion of this age group that thinks quality public schools and being able to walk to them will be very important.

Interesting also are how these portions of Under 35s view each element as very important in the next five years by comparison to how the other age groups view each element as very important in the next five years. By comparison to the 35 to 54s, cost, privacy between homes, and home size will all by marginally more important, as will well-designed sidewalks and a sense of privacy. By comparison to the Over 55s, privacy between homes and home size will also be marginally more important in their next move, as with well-designed sidewalks. But as for all of the community features, the Under 35s seem to rate all of the elements as “very important” in larger proportion than the other age groups.

**Table 10**

<table>
<thead>
<tr>
<th></th>
<th>% Difference in Saying Currently “Very Important”</th>
<th>% Difference Other Age Groups Saying “Very Important”</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>35 to 54s</td>
<td>over 55s</td>
</tr>
<tr>
<td>Physical Features</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>-1%</td>
<td>7%</td>
</tr>
<tr>
<td>Quality construction</td>
<td>16%</td>
<td>0%</td>
</tr>
<tr>
<td>Privacy between homes</td>
<td>21%</td>
<td>5%</td>
</tr>
<tr>
<td>Home size</td>
<td>35%</td>
<td>16%</td>
</tr>
<tr>
<td>Historic character</td>
<td>-1%</td>
<td>-9%</td>
</tr>
<tr>
<td>Low maintenance</td>
<td>-5%</td>
<td>-7%</td>
</tr>
<tr>
<td>Neighborhood Features</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sense of safety</td>
<td>10%</td>
<td>-2%</td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Sense of privacy</td>
<td>15%</td>
<td>5%</td>
</tr>
<tr>
<td>Range of housing types</td>
<td>3%</td>
<td>-5%</td>
</tr>
<tr>
<td>Community Features</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short commute to work</td>
<td>3%</td>
<td>7%</td>
</tr>
<tr>
<td>Walk to parks, recreation</td>
<td>5%</td>
<td>15%</td>
</tr>
<tr>
<td>Quality public schools</td>
<td>37%</td>
<td>28%</td>
</tr>
<tr>
<td>Walk to shops, restaurants</td>
<td>-8%</td>
<td>1%</td>
</tr>
<tr>
<td>Walk to rail, bus stop</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Walk to schools</td>
<td>27%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

H:\R3603-Lakewood Housing Study\Data|R3603-survey selections-031717.xlsx|TABLE B3 - under 35 future
35 to 54s

Current Considerations

The following Figure 50 through Figure 52 illustrate how this age group currently sees the various aspects of physical, neighborhood, and community features important to their consideration of where to live.

Figure 50 shows that, like everyone else, housing cost is the primary consideration of physical features with approximately 7 out of 10 saying that it’s very important. The other elements follow with incrementally lower portions of this age group viewing each characteristic as very important. The only break in the pattern is that nearly half of this age group indicated that home size was moderately important.

Figure 50
Importance of Physical Features for 35 to 54s

<table>
<thead>
<tr>
<th>Feature</th>
<th>Series1</th>
<th>Series2</th>
<th>Series3</th>
<th>Series4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>1%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Quality construction</td>
<td>18%</td>
<td>43%</td>
<td>29%</td>
<td>22%</td>
</tr>
<tr>
<td>Privacy between homes</td>
<td>29%</td>
<td>35%</td>
<td>35%</td>
<td>28%</td>
</tr>
<tr>
<td>Home size</td>
<td>33%</td>
<td>48%</td>
<td>48%</td>
<td>35%</td>
</tr>
<tr>
<td>Historic character</td>
<td>75%</td>
<td>44%</td>
<td>39%</td>
<td>28%</td>
</tr>
<tr>
<td>Low maintenance</td>
<td>2%</td>
<td>10%</td>
<td>18%</td>
<td>10%</td>
</tr>
</tbody>
</table>

When considering neighborhood features, as with the other age groups, the sense of safety is very important to nearly 8 out of 10 of this age group, as shown in Figure 51. Each of the other considerations have lower portions of them indicating they are very important, and as for range of housing types, this age group is also somewhat indifferent.

Figure 51
Importance of Neighborhood Features for 35 to 54s

<table>
<thead>
<tr>
<th>Feature</th>
<th>Series1</th>
<th>Series2</th>
<th>Series3</th>
<th>Series4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense of safety</td>
<td>1%</td>
<td>20%</td>
<td>75%</td>
<td>44%</td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td>4%</td>
<td>10%</td>
<td>43%</td>
<td>44%</td>
</tr>
<tr>
<td>Sense of privacy</td>
<td>3%</td>
<td>16%</td>
<td>42%</td>
<td>39%</td>
</tr>
<tr>
<td>Range of housing types</td>
<td>3%</td>
<td>16%</td>
<td>35%</td>
<td>18%</td>
</tr>
</tbody>
</table>
The priority order of the community features, as shown in Figure 52, follows the same rank order as with the combined results. Having a short commute to work is very important to half of this age group, followed by being able to walk to parks and recreation and having quality public schools. Being able to walk to shops is very important to 3 out of 10, and being able to walk to a rail station or bus stop is very important to 1 out of 4. Being able to walk to schools, however, is only very important to less than 1 in 5.

**Figure 52**
Importance of Community Features for 35 to 54s
In terms of how this age group differs from the others, **Table 11** illustrates the difference between the 35 to 54s and each other age group. As for physical considerations, this age group is less concerned with housing cost or low maintenance than either of the other age groups. They are more concerned with quality construction, privacy between homes, home size, and historic character than the Under 35s, but less concerned about those elements than the Over 55s (with the exception of historic character).

As for the neighborhood considerations, they are more concerned about sense of safety, privacy, and a range of housing types than the younger age group, but they are marginally less concerned about all these neighborhood features than the Over 55s.

This age group is also largely focused on what they need, in terms of community features, for getting to work and getting children to school. Higher proportions of them indicated that a short commute to work was very important than the other age groups, as well as quality public schools and being able to walk to them. They are more concerned about all these features than the Over 55s are, but less concerned about walking to parks and recreation, shops and restaurants, as well as train stations or bus stops than the Under 35s.

**Table 11**
How 35 to 54s Differ in Their “Very Important” Ratings Currently

<table>
<thead>
<tr>
<th>Physical Features</th>
<th>under 35s</th>
<th>over 55s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>-11%</td>
<td>-4%</td>
</tr>
<tr>
<td>Quality construction</td>
<td>9%</td>
<td>-9%</td>
</tr>
<tr>
<td>Privacy between homes</td>
<td>14%</td>
<td>-6%</td>
</tr>
<tr>
<td>Home size</td>
<td>11%</td>
<td>-3%</td>
</tr>
<tr>
<td>Historic character</td>
<td>7%</td>
<td>2%</td>
</tr>
<tr>
<td>Low maintenance</td>
<td>-4%</td>
<td>-15%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Neighborhood Features</th>
<th>under 35s</th>
<th>over 55s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense of safety</td>
<td>7%</td>
<td>-5%</td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td>-3%</td>
<td>-7%</td>
</tr>
<tr>
<td>Sense of privacy</td>
<td>6%</td>
<td>-19%</td>
</tr>
<tr>
<td>Range of housing types</td>
<td>8%</td>
<td>-7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Community Features</th>
<th>under 35s</th>
<th>over 55s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short commute to work</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Walk to parks, recreation</td>
<td>-13%</td>
<td>1%</td>
</tr>
<tr>
<td>Quality public schools</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Walk to shops, restaurants</td>
<td>-11%</td>
<td>1%</td>
</tr>
<tr>
<td>Walk to rail, bus stop</td>
<td>-7%</td>
<td>1%</td>
</tr>
<tr>
<td>Walk to schools</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
**Future Considerations**

Table 12 illustrates the difference between the portion of 35 to 54s that rated each housing feature a “very important” by comparison to three of metrics: 1) compared to how they said each element was “very important” to them currently; 2) compared to the portion of Under 35s that said each element would be “very important” to them in the next five years; and 3) compared to the portion of Over 55s that said each element would be “very important” to them in the next five years.

Compared to the Under 35s, this age group sees housing cost, privacy between homes, and home size as marginally less important. It should be noted that substantial portions of this group already had indicated that these physical features were very important to their housing decisions, so the relative differences here do not indicate that they are viewed any less importantly. On the other hand, historic character and low maintenance living will be slightly more important to them in the next five years than to the Under 35s. Compared to the Over 55s, privacy between homes, home size, and historic character will be slightly more important, but not cost or lower maintenance.

As for community features, this age group sees all of them as less important than the Under 35s, but generally more important to their housing choice in the next five years than the Over 55s.

Table 12

How 35 to 54s Differ in Their “Very Important” Ratings in 5 Years

<table>
<thead>
<tr>
<th>Physical Features</th>
<th>% Difference in Saying CURRENTLY “Very Important”</th>
<th>% Difference Other Age Groups Saying “Very Important”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>3%</td>
<td>-7%</td>
</tr>
<tr>
<td>Quality construction</td>
<td>7%</td>
<td>0%</td>
</tr>
<tr>
<td>Privacy between homes</td>
<td>2%</td>
<td>-5%</td>
</tr>
<tr>
<td>Home size</td>
<td>8%</td>
<td>-16%</td>
</tr>
<tr>
<td>Historic character</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Low maintenance</td>
<td>9%</td>
<td>1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Neighborhood Features</th>
<th>% Difference in Saying CURRENTLY “Very Important”</th>
<th>% Difference Other Age Groups Saying “Very Important”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense of safety</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td>3%</td>
<td>-17%</td>
</tr>
<tr>
<td>Sense of privacy</td>
<td>4%</td>
<td>-5%</td>
</tr>
<tr>
<td>Range of housing types</td>
<td>0%</td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Community Features</th>
<th>% Difference in Saying CURRENTLY “Very Important”</th>
<th>% Difference Other Age Groups Saying “Very Important”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short commute to work</td>
<td>-5%</td>
<td>-7%</td>
</tr>
<tr>
<td>Walk to parks, recreation</td>
<td>3%</td>
<td>-15%</td>
</tr>
<tr>
<td>Quality public schools</td>
<td>-1%</td>
<td>-28%</td>
</tr>
<tr>
<td>Walk to shops, restaurants</td>
<td>-1%</td>
<td>-1%</td>
</tr>
<tr>
<td>Walk to rail, bus stop</td>
<td>5%</td>
<td>-6%</td>
</tr>
<tr>
<td>Walk to schools</td>
<td>5%</td>
<td>-20%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

H:\16380-Lakewood Housing Study\Data\16380-survey selections-031717.xlsx\TABLE B2 - 35-54 future
Over 55s

Current Considerations

The following Figure 53 through Figure 55 illustrate how this age group currently sees the various aspects of physical, neighborhood, and community features important to their consideration of where to live. Figure 53 shows a rank order of physical feature considerations that looks very similar to the other two age groups, except that one a larger portion of them value low maintenance.

Figure 53
Importance of Physical Features for Over 55s

When considering neighborhood features, as with the other age groups, the sense of safety is very important to 8 out of 10 of this age group, as shown in Figure 54, but unlike the others, they value privacy to a greater degree.

Figure 54
Importance of Neighborhood Features for Over 55s
This age group prioritizes their community features much like everyone else, as shown in Figure 55, except for being able to walk to a rail station or bus stop, which ranks on par with being able to walk to shops and restaurants.

Figure 55
Importance of Community Features for Over 55s

Table 13 illustrates that this age group generally views the physical and neighborhood features more importantly, except for housing cost compared to Under 35s and historic character compared to the 35 to 54s. On the other hand, they generally view the community features as less important than the others, except for seeing quality public schools more favorably than the Under 35s.

Table 13
How Over 55s Differ in Their “Very Important” Ratings Currently

<table>
<thead>
<tr>
<th></th>
<th>% Difference Other Age Groups Saying &quot;Very Important&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>under 35s</td>
</tr>
<tr>
<td>Physical Features</td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>-7%</td>
</tr>
<tr>
<td>Quality construction</td>
<td>18%</td>
</tr>
<tr>
<td>Privacy between homes</td>
<td>20%</td>
</tr>
<tr>
<td>Home size</td>
<td>14%</td>
</tr>
<tr>
<td>Historic character</td>
<td>5%</td>
</tr>
<tr>
<td>Low maintenance</td>
<td>11%</td>
</tr>
<tr>
<td>Neighborhood Features</td>
<td></td>
</tr>
<tr>
<td>Sense of safety</td>
<td>12%</td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td>4%</td>
</tr>
<tr>
<td>Sense of privacy</td>
<td>25%</td>
</tr>
<tr>
<td>Range of housing types</td>
<td>15%</td>
</tr>
<tr>
<td>Community Features</td>
<td></td>
</tr>
<tr>
<td>Short commute to work</td>
<td>-2%</td>
</tr>
<tr>
<td>Walk to parks, recreation</td>
<td>-14%</td>
</tr>
<tr>
<td>Quality public schools</td>
<td>-14%</td>
</tr>
<tr>
<td>Walk to shops, restaurants</td>
<td>-22%</td>
</tr>
<tr>
<td>Walk to rail, bus stop</td>
<td>-8%</td>
</tr>
<tr>
<td>Walk to schools</td>
<td>-1%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
Future Considerations

As with the other comparison, Table 14 illustrates the difference between the portion of this age group that rated each housing feature a “very important” by comparison to how they said each element was “very important” currently, as well as compared to the other age groups looking five years from now.

By comparison to what is important to their current housing choices, they seem to be concerned about lower maintenance and cost, a sense of safety and well-designed sidewalks. Interestingly, though, they state that they are slightly more interested in being able to walk to parks and recreation, but significantly more interested in being able to walk to shops and restaurants and rail stations and bus stops.

By comparison to the other age groups, the portion of them that say low maintenance will be very important is 29 percent and 22 percent larger than the Under 35s and 35 to 54s, respectively. As for the neighborhood features, there are larger portions of this age group that view each element as more important (except for well-designed sidewalks among Under 35s). And for the community features, while the portion of them that say being able to walk to parks and recreation is not as large as those Under 35 or even 35 to 54, the portion of them saying they would like to be able to walk to shops and restaurants as well as rail stations or bus stops is very close to the magnitude of Under 35s and 35 to 54s.

Table 14
How Over 55s Differ in Their “Very Important” Ratings in 5 Years

<table>
<thead>
<tr>
<th>Physical Features</th>
<th>% Difference in Saying CURRENTLY &quot;Very Important&quot;</th>
<th>% Difference Other Age Groups Saying &quot;Very Important&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>7%</td>
<td>1%</td>
</tr>
<tr>
<td>Quality construction</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Privacy between homes</td>
<td>-7%</td>
<td>-8%</td>
</tr>
<tr>
<td>Home size</td>
<td>1%</td>
<td>-20%</td>
</tr>
<tr>
<td>Historic character</td>
<td>1%</td>
<td>7%</td>
</tr>
<tr>
<td>Low maintenance</td>
<td>13%</td>
<td>20%</td>
</tr>
<tr>
<td>Neighborhood Features</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sense of safety</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td>2%</td>
<td>-11%</td>
</tr>
<tr>
<td>Sense of privacy</td>
<td>-5%</td>
<td>5%</td>
</tr>
<tr>
<td>Range of housing types</td>
<td>-3%</td>
<td>9%</td>
</tr>
<tr>
<td>Community Features</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short commute to work</td>
<td>-8%</td>
<td>-13%</td>
</tr>
<tr>
<td>Walk to parks, recreation</td>
<td>3%</td>
<td>-16%</td>
</tr>
<tr>
<td>Quality public schools</td>
<td>-8%</td>
<td>-42%</td>
</tr>
<tr>
<td>Walk to shops, restaurants</td>
<td>10%</td>
<td>-4%</td>
</tr>
<tr>
<td>Walk to rail, bus stop</td>
<td>8%</td>
<td>-4%</td>
</tr>
<tr>
<td>Walk to schools</td>
<td>-1%</td>
<td>-29%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
H:\83063-Lakewood Housing Study\Data\83063-survey selections-031717.xlsx\TABLE B1- over 55 future
Supply-Demand Synthesis

Supply in Proximity

The following series of graphics illustrate and quantify the overlap of various community features that figured prominently in the stated preference analysis. The percent of housing supply that is within walking distance, defined as a quarter-mile in any direction, is calculated for each amenity. The purpose is to illustrate the extent to which the City’s housing supply aligns with the stated demands of its workforce and residents.

Employment Centers

Figure 56 illustrates a quarter-mile walking distance surrounding the boundaries of employment centers throughout the city. Data analyzed from the CDLE were utilized to determine the boundaries of these areas. The findings of this analysis show that 34 percent of the City’s housing stock falls within these boundaries compared to approximately 50 percent of those surveyed who said it was “very important” to have a short commute to work.
Figure 56
Supply in Walking Distance to Employment Centers

Legend
1/2-Mile buffer around Employment Centers
Walking Distance to Retail and Retail Redevelopment Areas

Using Costar designations, Figure 57 illustrates walking distance surrounding various areas of retail and retail redevelopment potential. The analysis finds that 18 percent of the City’s housing stock is within walking distance of these retail areas compared to 30 percent of those surveyed who said it was currently very important to be in walking distance of retail (and 33 percent who said it would be very important in the next five years). It should be noted that Costar’s data includes all sizes, types and mix, and although it was beyond the scope of the study, better data would have looked at typologies, such as neighborhood level retail.

Figure 57
Walking Distance to Retail and Retail Redevelopment Areas
**Walking Distance to Grocery**

**Figure 58** illustrates walking distances from each of the grocery stores that serve the City, including those that lie outside of the City’s incorporated boundaries. The analysis finds a good alignment of these amenities and the housing stock, where 28 percent of the housing inventory falls within these areas and 30 percent of those surveyed indicated that it was very important to their current considerations in choosing where to live.

**Figure 58**
Walking Distance to Grocery Stores
Walking Distance to Restaurants

Figure 59 illustrates another element of the stated preference elements, i.e. being able to walk to shops and restaurants. But as with the geographic analysis of retail centers, this uses data on all types and varieties of restaurants throughout the City, from fast-food to quick-casuals, etc. As such, the analysis finds that 69 percent of the City’s housing stock falls within walking distance to restaurants, whereas as mentioned previously, 30 percent of those surveyed indicated that it was very important to be in walking distance.

Figure 59
Walking Distance to Restaurants
Walking Distance to Rail Stations

Figure 60 illustrates walking distances to the rail stations of the West Line, which collectively intersect with 12 percent of the City’s housing supply. This compares to 24 percent of those surveyed who said it is very important to be in walking distance, versus 29 percent who said it would be very important in the next five years.
Propensity to Move

Implicit in all of the considerations above are trade-offs. Housing demand has always been characterized by the presence of them, but the survey findings indicate that some segments of Lakewood’s workforce will shift away from historic trade-offs who favored bigger houses and greater sense of privacy but often fewer locational amenities and toward trade-offs that favors a smaller house or a smaller lot with locational amenities, such as centers of activity with retail, restaurants, entertainment, and employment.

One key difference between these two types of trade-offs is the cost associated with travelling to centers of activity. In the historical example, a household that favors a larger house with more privacy located further from the city drives farther and more frequently to shops, restaurants, entertainment, and work, whereas the household in the latter example doesn’t. As indicated in the following results, households are willing to pay more for housing with walkability, because they can capitalize the cost of transportation into the house.

Willingness to Pay 10% More in Housing

Table 15 presents the findings of respondents’ willingness to pay by age for various amenities. Overall, the findings show that 1 in 5 are willing to pay 10 percent more on housing to have higher quality schools, but 2 in 5 are not at all interested in doing so. And 15 percent of respondents are also willing to pay 10 percent more on their housing to cut their commute time in half, have the ability to walk or bike to shops or work. Though living in walking distance of a rail station or bus stop garnered a slightly smaller portion of respondents who said it was very important, there were generally fewer people very opposed to the idea. On the other hand, only a very small portion of those surveyed were interested in paying 10 percent more to live close to day care facilities.

On the basis of age, the responses reveal a general pattern of the Under 35s higher willingness to pay for the array of amenities than the other age groups. As noted by their considerations for housing choice five years from now, the findings also show that approximately 3 in 10 of the Under 35s would be willing to pay 10 percent more on housing to have higher quality public schools. Combined with those who saying they would be moderately willing, nearly 60 percent indicate so. As for being able to have a shorter commute and walk or bike to shops and work, approximately one quarter of this age group would be very willing to pay 10 percent more on housing.

As for the 35 to 54s, their responses indicate slightly more restraint or enthusiasm. As anticipated, nearly one quarter of them indicate a willingness to pay 10 percent more on housing to have higher quality public schools, but even adding to them those would said they would be moderately willing, the portion only reaches 38 percent – a substantial difference between the Under 35s.

The Over 55s are the most restrained in terms of their enthusiasm for paying 10 percent more on housing to achieve any of the following. Also as anticipated, they are far more opposed to paying 10 percent more on their housing to have higher quality public schools.
Table 15
Willingness to Pay by Age

<table>
<thead>
<tr>
<th>Overall</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Somewhat likely</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cut commute time in half</td>
<td>32%</td>
<td>13%</td>
<td>26%</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Ability to walk / bike to shops, etc.</td>
<td>27%</td>
<td>15%</td>
<td>25%</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>Ability to walk / bike to work</td>
<td>30%</td>
<td>15%</td>
<td>22%</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>Have higher quality schools</td>
<td>40%</td>
<td>11%</td>
<td>14%</td>
<td>14%</td>
<td>20%</td>
</tr>
<tr>
<td>Live within walking distance to rail station</td>
<td>29%</td>
<td>17%</td>
<td>25%</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>Live within walking distance to day care</td>
<td>66%</td>
<td>13%</td>
<td>12%</td>
<td>6%</td>
<td>4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Under 35s</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Somewhat likely</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cut commute time in half</td>
<td>16%</td>
<td>11%</td>
<td>30%</td>
<td>21%</td>
<td>22%</td>
</tr>
<tr>
<td>Ability to walk / bike to shops, etc.</td>
<td>18%</td>
<td>14%</td>
<td>21%</td>
<td>23%</td>
<td>24%</td>
</tr>
<tr>
<td>Ability to walk / bike to work</td>
<td>15%</td>
<td>16%</td>
<td>24%</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td>Have higher quality schools</td>
<td>17%</td>
<td>8%</td>
<td>16%</td>
<td>28%</td>
<td>31%</td>
</tr>
<tr>
<td>Live within walking distance to rail station</td>
<td>13%</td>
<td>17%</td>
<td>29%</td>
<td>24%</td>
<td>16%</td>
</tr>
<tr>
<td>Live within walking distance to day care</td>
<td>32%</td>
<td>21%</td>
<td>23%</td>
<td>15%</td>
<td>9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>35 to 54s</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Somewhat likely</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cut commute time in half</td>
<td>28%</td>
<td>14%</td>
<td>28%</td>
<td>14%</td>
<td>16%</td>
</tr>
<tr>
<td>Ability to walk / bike to shops, etc.</td>
<td>26%</td>
<td>16%</td>
<td>27%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Ability to walk / bike to work</td>
<td>28%</td>
<td>17%</td>
<td>23%</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>Have higher quality schools</td>
<td>36%</td>
<td>12%</td>
<td>14%</td>
<td>15%</td>
<td>23%</td>
</tr>
<tr>
<td>Live within walking distance to rail station</td>
<td>29%</td>
<td>17%</td>
<td>27%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Live within walking distance to day care</td>
<td>65%</td>
<td>13%</td>
<td>12%</td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Over 55s</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Somewhat likely</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cut commute time in half</td>
<td>49%</td>
<td>13%</td>
<td>19%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td>Ability to walk / bike to shops, etc.</td>
<td>35%</td>
<td>14%</td>
<td>24%</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Ability to walk / bike to work</td>
<td>45%</td>
<td>11%</td>
<td>18%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>Have higher quality schools</td>
<td>63%</td>
<td>12%</td>
<td>12%</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Live within walking distance to rail station</td>
<td>38%</td>
<td>17%</td>
<td>21%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Live within walking distance to day care</td>
<td>90%</td>
<td>6%</td>
<td>3%</td>
<td>0%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

The data is sourced from the files: H:\63063-Lakewood Housing Study\Data\63063_survey selections-031717.xlsx\TABLE E - Willingness to Pay
Next Move

The following series of graphics illustrate the portions of those surveyed that have expressed likelihoods of moving in the next 1 to 5 or 6 to 10 years, and where they think they are likely to move. Figure 61 illustrates that 1 out of 5 are very likely to move in the next 1 to 5 years, with a slightly smaller portion indicating they are very likely to move in the next 6 to 10 years, as illustrated in Figure 62.

Figure 61
Likelihood of Moving in 1 to 5 Years by Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Very Unlikely</th>
<th>Somewhat Unlikely</th>
<th>Somewhat Likely</th>
<th>Very Likely</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>26%</td>
<td>16%</td>
<td>13%</td>
<td>46%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>51%</td>
<td>17%</td>
<td>14%</td>
<td>18%</td>
</tr>
<tr>
<td>55 and over</td>
<td>59%</td>
<td>13%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Overall</td>
<td>49%</td>
<td>15%</td>
<td>14%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
H:\163063-Lakewood Housing Study\Data\163063-survey selections-061717.xls\d1_Moving 1

Figure 62
Likelihood of Moving in 6 to 10 Years by Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Very Unlikely</th>
<th>Somewhat Unlikely</th>
<th>Somewhat Likely</th>
<th>Very Likely</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>15%</td>
<td>28%</td>
<td>25%</td>
<td>31%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>30%</td>
<td>28%</td>
<td>25%</td>
<td>17%</td>
</tr>
<tr>
<td>55 and over</td>
<td>37%</td>
<td>17%</td>
<td>28%</td>
<td>17%</td>
</tr>
<tr>
<td>Overall</td>
<td>29%</td>
<td>25%</td>
<td>26%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
H:\163063-Lakewood Housing Study\Data\163063-survey selections-061717.xls\d2_Moving 2
Figure 63 and Figure 64 illustrate where respondents indicate they are likely to move in the next 10 years. As to be expected, there is greater uncertainty surrounding this question. The choices given where: 1) stay in current home; 2) move within the West Denver Metro area; 3) move outside the West Denver Metro area; or 4) don’t know. The results show that nearly 3 out of 5 people intend to stay in their current home in the next five years, 1 out of 5 plan to move within the West Denver Metro area, and approximately 1 in 10 intend to leave it. As for the level of uncertainty, 10 percent overall don’t know what they’ll be doing, and that portion fluctuates higher for the lower age groups than for the higher age groups.

**Figure 63  
Where Likely to Move in 1 to 5 Years by Age**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Stay in current home</th>
<th>Move within West Denver Metro</th>
<th>Move outside West Denver Metro</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>31%</td>
<td>37%</td>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>61%</td>
<td>22%</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td>55 and over</td>
<td>70%</td>
<td>11%</td>
<td>13%</td>
<td>6%</td>
</tr>
<tr>
<td>Overall</td>
<td>58%</td>
<td>21%</td>
<td>11%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

As for looking a bit further into the future, the level of uncertainty rises, compressing the portion of those who intend to stay in their current homes down to less than one third. The portion of those indicating they’ll move within the West Denver Metro area stays roughly the same at 20 percent, but the portion that anticipates leaving the West Denver Metro area increases from 11 to 19 percent.

**Figure 64  
Where Likely to Move in 6 to 10 Years by Age**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Stay in current home</th>
<th>Move within West Denver Metro</th>
<th>Move outside West Denver Metro</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>17%</td>
<td>18%</td>
<td>24%</td>
<td>41%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>33%</td>
<td>21%</td>
<td>17%</td>
<td>29%</td>
</tr>
<tr>
<td>55 and over</td>
<td>37%</td>
<td>16%</td>
<td>21%</td>
<td>26%</td>
</tr>
<tr>
<td>Overall</td>
<td>32%</td>
<td>19%</td>
<td>19%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
And finally, as for the type of neighborhood Lakewood’s workforce anticipates moving to in the future, **Figure 65** illustrates that nearly half of those surveyed anticipate moving to a suburban type of neighborhood in their next move and approximately 3 out of 10 will move to an urban neighborhood. Interestingly, the portion of those interested in moving to an urban neighborhood is roughly the same for each age group, whereas the portion of the Under 35s that indicate they’ll move to a suburban neighborhood is 55 percent compared to 49 percent for the 35 to 54s and 42 percent for the Over 55s.

**Figure 65**  
Type of Future Neighborhood Preference by Age  

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Urban Neighborhood</th>
<th>Suburban Neighborhood</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>33%</td>
<td>55%</td>
<td>12%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>30%</td>
<td>49%</td>
<td>21%</td>
</tr>
<tr>
<td>55 and over</td>
<td>30%</td>
<td>42%</td>
<td>28%</td>
</tr>
<tr>
<td>Overall</td>
<td>29%</td>
<td>48%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems  
H:\163063-Lakewood Housing Study\Excel\163063-survey selections-031717.xlsx\Excel - Where move 1
APPENDIX A:
STATED PREFERENCE DETAILS BY AGE GROUP
Housing Cost

The most important current consideration for choosing where to live for Lakewood’s survey respondents is housing cost, as illustrated in Figure 66. Approximately 3 out of 5 respondents rated it as very important with another 30 percent rating it moderately important. For respondents under 35, it nearly 70 percent described it as a very important consideration, followed by 62 percent of those 55 and over, and then 58 percent of those 35 to 54.

As asked about the importance of this consideration five years from now, Figure 67 illustrates that a slightly larger portion of all respondents indicated that housing costs were very important. By age cohort, the results appeared to maintain similar relationships to current considerations.

Figure 66
Importance of Housing Cost by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>1%</td>
<td>26%</td>
<td>69%</td>
<td>2%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>2%</td>
<td>33%</td>
<td>58%</td>
<td>8%</td>
</tr>
<tr>
<td>55 and over</td>
<td>2%</td>
<td>28%</td>
<td>62%</td>
<td>8%</td>
</tr>
<tr>
<td>Overall</td>
<td>1%</td>
<td>30%</td>
<td>61%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

H:\163063-Lakewood Housing Study\Data\163063-surveys selections-031717.xls\TABLE 5 - Cost

Figure 67
Future Importance of Housing Cost by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>3%</td>
<td>25%</td>
<td>68%</td>
<td>3%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>2%</td>
<td>30%</td>
<td>61%</td>
<td>6%</td>
</tr>
<tr>
<td>55 and over</td>
<td>1%</td>
<td>22%</td>
<td>69%</td>
<td>8%</td>
</tr>
<tr>
<td>Overall</td>
<td>2%</td>
<td>27%</td>
<td>65%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

H:\163063-Lakewood Housing Study\Data\163063-surveys selections-031717.xls\TABLE d1 - Moving 1
Quality of Residence

The second most important physical characteristic is the quality of the construction, illustrated in Figure 68. Half of all respondents said it was very important followed by another 39 percent saying it was moderately important. By age, this consideration is incrementally more important for older age groups, with more than half of respondents over 55 indicating that it is very important compared to 48 percent of 35 to 54 year-olds and 39 percent of under 35s.

As with the cost of housing playing a very important role in choosing where to live five years from now, the importance of construction quality also appears to rank very importantly to a slightly larger portion of the workforce for choosing where to live five years from now than it does today, illustrated in Figure 69. Interesting about this distribution, the portion of under 35s that rate it very important is equal to those currently 35 to 54, as opposed to being a relatively smaller portion – as in their current considerations. One interpretation of the results is that consideration for the quality of a residence increases with anticipated life stage changes.

**Figure 68**
Importance of Quality of Residence by Age

**Figure 69**
Future Importance of Quality of Residence by Age
Greater Privacy Between Homes

While greater privacy between homes (Figure 70) can be interpreted as a neighborhood characteristic as well as a feature of the home itself (in terms of side-yard setbacks and distance between neighboring homes), 35 percent of the workforce views this as a very important consideration, followed by another third of respondents indicating it as moderately important. As with the quality of residential construction, this consideration seems to be increasingly important with older age cohorts, where just 21 percent of under 35s consider it very important versus 41 percent of those over 55.

Looking five years from now, respondent answers regarding how important greater privacy between homes is when choosing where to live seems to reverse the pattern of current considerations across the age spectrum. While the overall trend still shows slightly less than 2 out of 5 see it as a very important consideration, the under 35s rate very important to a greater extent than the other age cohorts do – a complete inversion of the current consideration results. One interpretation is that as the under 35s perceive how they will be living and how their life stage may be changing in the next five years, privacy will become as important to them as it is currently to those 35 to 54 or over 55. Interestingly, though, is that while the portion of those 35 to 54 who say it’s very important appears not to have changed significantly, the portion of those over 55 has decreased from 41 percent to 34 percent.

Figure 70
Importance of Greater Privacy Between Homes by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>17%</td>
<td>29%</td>
<td>33%</td>
<td>21%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>7%</td>
<td>23%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>55 and over</td>
<td>9%</td>
<td>21%</td>
<td>29%</td>
<td>41%</td>
</tr>
<tr>
<td>Overall</td>
<td>9%</td>
<td>23%</td>
<td>33%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

Figure 71
Future Importance of Greater Privacy Between Homes by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>6%</td>
<td>12%</td>
<td>40%</td>
<td>42%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>5%</td>
<td>21%</td>
<td>37%</td>
<td>37%</td>
</tr>
<tr>
<td>55 and over</td>
<td>14%</td>
<td>14%</td>
<td>39%</td>
<td>34%</td>
</tr>
<tr>
<td>Overall</td>
<td>7%</td>
<td>17%</td>
<td>38%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
Home Size

When asked how important the size of a home is (Figure 72) in considering where to live, nearly 30 percent of all respondents indicate that it is very important with another 50 percent stating that it is moderately important. Broken down by the three age categories reveals that, for those who state this element is “very important” seems to increase with age, where only 17 percent of those under 35 considered it very important versus 28 percent of 35 to 54 year-olds and 31 percent of over 55s.

In five years, however, home size seems to be very important to nearly 10 percent more of the respondents than it does currently. Most significant is the portion of under 35s who see it as very important to their considerations. Whereas 17 percent viewed it as significant today, more than half said it was very important, anticipating changes in their household type or life stage.

Figure 72
Importance of Home Size by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>4%</td>
<td>28%</td>
<td>50%</td>
<td>17%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>3%</td>
<td>16%</td>
<td>53%</td>
<td>28%</td>
</tr>
<tr>
<td>55 and over</td>
<td>5%</td>
<td>19%</td>
<td>44%</td>
<td>31%</td>
</tr>
<tr>
<td>Overall</td>
<td>4%</td>
<td>19%</td>
<td>50%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

H:\163063-Lakewood Housing Study\Data\163063-surveys-031717.xlsx TABLE 1 - Home size

Figure 73
Future Importance of Home Size by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>2%</td>
<td>10%</td>
<td>36%</td>
<td>52%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>4%</td>
<td>16%</td>
<td>44%</td>
<td>36%</td>
</tr>
<tr>
<td>55 and over</td>
<td>6%</td>
<td>24%</td>
<td>38%</td>
<td>32%</td>
</tr>
<tr>
<td>Overall</td>
<td>4%</td>
<td>18%</td>
<td>42%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

H:\163063-Lakewood Housing Study\Data\163063-surveys-031717.xlsx Moving 1 - Not at all | Slightly | Moderately | Very
**Historic Character**

Among the physical characteristics that are relatively less important when considering where to live, historic character or architectural significance ([Figure 74](#)) was only very important to 18 percent of respondents with another 30 percent indicating it moderately important. By age, the results do not reveal a pattern of increasing or decreasing importance across the age spectrum.

This was also the only consideration that did not change substantially when respondents considered how it would factor into their future housing choice ([Figure 75](#)), where still approximately 1 in 5 felt it was very important, followed by similar proportions in the moderately important, slightly important, and not at all important ratings.

*Figure 74*
Importance of Historic Character by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>26%</td>
<td>32%</td>
<td>27%</td>
<td>15%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>22%</td>
<td>28%</td>
<td>29%</td>
<td>22%</td>
</tr>
<tr>
<td>55 and over</td>
<td>23%</td>
<td>27%</td>
<td>31%</td>
<td>20%</td>
</tr>
<tr>
<td>Overall</td>
<td>23%</td>
<td>28%</td>
<td>30%</td>
<td>18%</td>
</tr>
</tbody>
</table>

*Source:* RRC Associates; Economic & Planning Systems

*Figure 75*
Future Importance of Historic Character by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>19%</td>
<td>32%</td>
<td>35%</td>
<td>14%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>20%</td>
<td>30%</td>
<td>27%</td>
<td>23%</td>
</tr>
<tr>
<td>55 and over</td>
<td>21%</td>
<td>26%</td>
<td>32%</td>
<td>21%</td>
</tr>
<tr>
<td>Overall</td>
<td>20%</td>
<td>29%</td>
<td>31%</td>
<td>20%</td>
</tr>
</tbody>
</table>

*Source:* RRC Associates; Economic & Planning Systems
Low Maintenance Living

When asked how important lower maintenance living is, just 15 percent of respondents considered it very important, as illustrated by Figure 76. Viewed across the age spectrum, however, reveals that this is relatively more important to those 55 and over. Questions were not specifically asked of survey takers as to their ideal components of lower maintenance living. Examples of condominiums and townhomes were given, however, which typically contain common areas and open space that are maintained by a homeowners association – a representation of physical characteristics, such as yard work, etc. that do not have to be done by the homeowner.

As for how this consideration factors into future housing choice (Figure 77), a portion of respondents seven percent larger indicated in general that it would be very important, driven largely by the increased proportion of those over 55 that saw it as very important (which increased to 38 percent versus 25 percent today).

Figure 76
Importance of Lower Maintenance Living by Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>35%</td>
<td>28%</td>
<td>23%</td>
<td>14%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>38%</td>
<td>34%</td>
<td>18%</td>
<td>10%</td>
</tr>
<tr>
<td>55 and over</td>
<td>21%</td>
<td>33%</td>
<td>21%</td>
<td>25%</td>
</tr>
<tr>
<td>Overall</td>
<td>32%</td>
<td>32%</td>
<td>21%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

Figure 77
Future Importance of Lower Maintenance Living by Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>37%</td>
<td>37%</td>
<td>17%</td>
<td>9%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>29%</td>
<td>29%</td>
<td>26%</td>
<td>16%</td>
</tr>
<tr>
<td>55 and over</td>
<td>11%</td>
<td>18%</td>
<td>33%</td>
<td>38%</td>
</tr>
<tr>
<td>Overall</td>
<td>23%</td>
<td>27%</td>
<td>28%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
Sense of Safety and Security

The most important neighborhood characteristic, and in fact the most important consideration overall, in considering where to live is a sense of safety and security, illustrated in Figure 78. Three out of four people surveyed view this as a very important consideration, followed by another 20 percent who rate it moderately important. The results also show a moderate increase in the importance of this consideration across the age spectrum with 68 percent of under 35s defining it very important increasing to 80 percent of those over 55.

When thinking about housing choice five years from now, a slightly larger portion of all respondents indicated that it would be very important – 4 out of 5 (Figure 79). And while the magnitudes of those between 35 and 54, as well as those over 55 appeared to have stayed the same, the portion of those currently under 35 who said it would be very important in five years increased from 68 to 78 percent.

Figure 78
Importance of Sense of Safety and Security by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>0%</td>
<td>29%</td>
<td>68%</td>
<td></td>
</tr>
<tr>
<td>35 to 54</td>
<td>19%</td>
<td>20%</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>55 and over</td>
<td>19%</td>
<td>18%</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>13%</td>
<td>21%</td>
<td>75%</td>
<td></td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

Figure 79
Future Importance of Sense of Safety and Security by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>0%</td>
<td>21%</td>
<td>78%</td>
<td></td>
</tr>
<tr>
<td>35 to 54</td>
<td>15%</td>
<td>16%</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>55 and over</td>
<td>14%</td>
<td>17%</td>
<td>81%</td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>13%</td>
<td>17%</td>
<td>80%</td>
<td></td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
Well-Designed Sidewalks

The second most important neighborhood consideration is that it have well-designed sidewalks, with 46 percent defining it as very important. Although a distinction was not made in a following question, the interpretation of these results could leave open whether or not responses imply that sidewalks should be “designed” well or that there actually be sidewalks (as opposed to none at all). The findings of these responses across the age spectrum, unlike greater privacy between homes (Figure 70 on page 90) or a sense of safety and security (Figure 78), these responses do not illustrate a clear pattern of incrementally increasing or decreasing important across the age spectrum.

As a future consideration, however, the findings appear to indicate that the overall increase in portion of those who say it will be very important is driven by those under 35, illustrated in Figure 81. More than 3 out of 5 currently under 35s think that it will be very important to them in the future, versus slightly less than half today.

Figure 80
Importance of Well-Designed Sidewalks by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>3%</td>
<td>8%</td>
<td>42%</td>
<td>47%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>4%</td>
<td>10%</td>
<td>43%</td>
<td>44%</td>
</tr>
<tr>
<td>55 and over</td>
<td>4%</td>
<td>12%</td>
<td>34%</td>
<td>51%</td>
</tr>
<tr>
<td>Overall</td>
<td>4%</td>
<td>9%</td>
<td>41%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
H:\634563-Lakewood Housing Study\(634563-survey selections-031717.xlsx)\TABLE d1-Moving 1

Figure 81
Future Importance of Well-Designed Sidewalks by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>2%</td>
<td>5%</td>
<td>29%</td>
<td>64%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>3%</td>
<td>10%</td>
<td>39%</td>
<td>47%</td>
</tr>
<tr>
<td>55 and over</td>
<td>6%</td>
<td>11%</td>
<td>30%</td>
<td>53%</td>
</tr>
<tr>
<td>Overall</td>
<td>3%</td>
<td>10%</td>
<td>36%</td>
<td>51%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
H:\634563-Lakewood Housing Study\(634563-survey selections-031717.xlsx)\TABLE d1-Moving 1
**Sense of Privacy**

A question of nuance as to the importance of privacy, respondents were asked how important the general sense of privacy was in considering where to live, illustrated by **Figure 82**. Here, 45 percent of respondents define it as very important with another 39 percent indicating it as moderately important. And, as with the counterpart question regarding “greater privacy between homes”, this consideration becomes increasingly important across the age spectrum. In this case, however, the difference between the portion of respondents over 55 and those 35 to 54 is much larger than the incrementally different magnitudes illustrated in **Figure 70**.

Again, as a future consideration, the shift in the overall proportion of those who think it will be very important seems to be driven by the increase in the portion of those under 35 (**Figure 83**), although a slightly portion of the overall increase may be attributed also to the small increase in portion of those between 35 and 54.

**Figure 82**

**Importance of Sense of Privacy by Age**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>3%</td>
<td>24%</td>
<td>39%</td>
<td>33%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>3%</td>
<td>16%</td>
<td>42%</td>
<td>39%</td>
</tr>
<tr>
<td>55 and over</td>
<td>1%</td>
<td>6%</td>
<td>35%</td>
<td>58%</td>
</tr>
<tr>
<td>Overall</td>
<td>2%</td>
<td>13%</td>
<td>39%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

**Figure 83**

**Future Importance of Sense of Privacy by Age**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>3%</td>
<td>13%</td>
<td>37%</td>
<td>48%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>3%</td>
<td>12%</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td>55 and over</td>
<td>2%</td>
<td>9%</td>
<td>36%</td>
<td>53%</td>
</tr>
<tr>
<td>Overall</td>
<td>2%</td>
<td>11%</td>
<td>39%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
Range of Housing Types

Having a range of housing types in the neighborhood was only very important to approximately 1 in 5 respondents, a nearly equal portion to those respondents that indicated it was not at all important, as shown in Figure 84. In these responses, it is also interesting to note that increasing portions of respondents describe this as very important across the age spectrum, where only 10 percent of under 35s indicate so, versus 18 percent of 35 to 54 year-olds and 25 percent of over 55s.

As with the consideration for historic character (Figure 74 and Figure 75 on page 92), the distribution of respondents who feel that having a range of housing types in the neighborhood will be very important does not seem to have changed significantly. And across the age spectrum, the sentiments seem to be maintained.

Figure 84
Importance of a Range of Housing Types in Neighborhood by Age

Figure 85
Future Importance of a Range of Housing Types in Neighborhood by Age
Short Commute to Work

Among the community characteristics that are important in choosing where to live, having a short commute to work garners nearly 50 percent of respondents stating that it’s very important, illustrated in Figure 86. The results by age category also do not differ, revealing that this consideration holds constant across life stages. Such a finding also reflects on the importance of having an adequate transportation network to facilitate a mobile workforce.

When asked how important this consideration would be in five years, however, a slightly smaller portion indicated it would be very important (Figure 87). The significant changes appeared in the under 35s, where a slightly higher proportion agreed that it would be very important, and in the over 55s, where a smaller portion said it would be very important, possibly because they would be anticipating retirement and not as concerned about living in closer proximity to work.

Figure 86
Importance of a Short Commute to Work by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>9%</td>
<td>9%</td>
<td>33%</td>
<td>50%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>6%</td>
<td>12%</td>
<td>28%</td>
<td>51%</td>
</tr>
<tr>
<td>55 and over</td>
<td>12%</td>
<td>10%</td>
<td>28%</td>
<td>48%</td>
</tr>
<tr>
<td>Overall</td>
<td>8%</td>
<td>12%</td>
<td>31%</td>
<td>49%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

Figure 87
Future Importance of a Short Commute to Work by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>4%</td>
<td>8%</td>
<td>34%</td>
<td>53%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>5%</td>
<td>13%</td>
<td>35%</td>
<td>46%</td>
</tr>
<tr>
<td>55 and over</td>
<td>20%</td>
<td>12%</td>
<td>28%</td>
<td>40%</td>
</tr>
<tr>
<td>Overall</td>
<td>10%</td>
<td>12%</td>
<td>34%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
Walking Distance to Parks, Recreation, Trails

The second most important community characteristic consideration is to be in walking distance to parks, recreation, and trails, illustrated in Figure 88. Not surprising for a population living in such an outdoor recreation-rich environment, the findings also show that while more than 2 out of 5 respondents between 35 and 54 and those over 55 view it as very important, nearly 3 out of 5 respondents under 35 see this as very important. This finding is also key for the City of Lakewood, as it sits in very close proximity to the Foothills and significant open space and hiking trails.

As with several of the questions (historic character and range of housing types in the neighborhood), walking distance to parks, recreation, and trails (Figure 89) seems to factor into people’s decisions with the same degree of influence for future housing choice as it does today.

Figure 88
Importance of Walking Distance to Parks, Recreation, Trails by Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>2%</td>
<td>9%</td>
<td>32%</td>
<td>56%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>5%</td>
<td>12%</td>
<td>40%</td>
<td>43%</td>
</tr>
<tr>
<td>55 and over</td>
<td>7%</td>
<td>11%</td>
<td>41%</td>
<td>42%</td>
</tr>
<tr>
<td>Overall</td>
<td>6%</td>
<td>11%</td>
<td>39%</td>
<td>44%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
H:\163063-Lakewood Housing Study\data\survey selections\633733.xlsx\Table d1 - Moving 1

Figure 89
Future Importance of Walking Distance to Parks, Recreation, Trails by Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>0%</td>
<td>7%</td>
<td>32%</td>
<td>61%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>4%</td>
<td>11%</td>
<td>39%</td>
<td>46%</td>
</tr>
<tr>
<td>55 and over</td>
<td>6%</td>
<td>12%</td>
<td>37%</td>
<td>45%</td>
</tr>
<tr>
<td>Overall</td>
<td>4%</td>
<td>11%</td>
<td>37%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
H:\163063-Lakewood Housing Study\data\survey selections\633733.xlsx\Table d1 - Moving 1
**Quality Public Schools**

Having quality public schools is very important to nearly 2 out of 5 respondents, as shown in Figure 90. Also not surprisingly, the pattern by age category reveals that a slightly larger portion of respondents in the typical family-raising ages (35 to 54) view this consideration as very important, while smaller portions of those under 35 and over 55 view it as such.

And while the overall proportion of respondents remained roughly the same when asked how this consideration would factor into future housing choice, Figure 91 illustrates very significantly how the under 35s in the workforce are anticipating the needs of their own children. In fact, this difference is the most significant of all the differences between current and future housing choice results.

**Figure 90**

*Importance of Quality Public Schools by Age*

**Figure 91**

*Future Importance of Quality Public Schools by Age*
Walking Distance to Shops, Restaurants

Walking distance to shops, restaurants and entertainment appears to be very important to 30 percent of all respondents, followed by another 30 percent indicating it as moderately important, illustrated in Figure 92. The findings across the age spectrum reveal a pattern, among others, that frequently receive anecdotal attention. More than 2 out of 5 respondents under 35 see this as a very important consideration, whereas one third of those 35 to 54 do, and only 1 out of 5 over 55 state it to be very important.

Though not quite the inversion of attitudes as illustrated by Figure 70 and Figure 71 on page 90, Figure 93 illustrates that a smaller portion of currently under 35s identified this as very important in choosing where to live five years from now, and a larger portion of the over 55s viewed it as very important (32 percent versus 22 percent).

Figure 92
Importance of Walking Distance to Shops, Restaurants by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>10%</td>
<td>15%</td>
<td>31%</td>
<td>44%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>16%</td>
<td>22%</td>
<td>29%</td>
<td>33%</td>
</tr>
<tr>
<td>55 and over</td>
<td>18%</td>
<td>31%</td>
<td>29%</td>
<td>22%</td>
</tr>
<tr>
<td>Overall</td>
<td>15%</td>
<td>25%</td>
<td>30%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Figure 93
Future Importance of Walking Distance to Shops, Restaurants by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>5%</td>
<td>22%</td>
<td>37%</td>
<td>36%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>11%</td>
<td>19%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>55 and over</td>
<td>10%</td>
<td>26%</td>
<td>32%</td>
<td>32%</td>
</tr>
<tr>
<td>Overall</td>
<td>10%</td>
<td>23%</td>
<td>35%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

H:\163063 Lakewood Housing Study\163063_survey selection-163063.xlsx - Table d1 - Moving 1
Walking Distance to Rail Station or Bus Stop

Just 1 in 4 respondents indicated that being able to walk to a rail station or bus stop was very important, followed by about 1 in 3 saying that it was moderately important in choosing where to live. Figure 94 illustrates that there is a slightly larger portion of those under 35 that view this as very important, whereas, the results indicate very little difference between those between 35 and 54 and those over 55.

As for how this consideration will factor into future housing choice, walking distance to a rail station or bus stop is the only finding that increased consistently across the age spectrum, illustrated in Figure 95. Four percent more respondents under 35 identified it as very important, 5 percent more respondents between 35 and 54 identified it as very important, and 8 percent more in the over 55 category identified it as such.

**Figure 94**
Importance of Walking Distance to Rail or Bus by Age

**Figure 95**
Future Importance of Walking Distance to Rail or Bus by Age

Source: RRC Associates; Economic & Planning Systems

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**Economic & Planning Systems, Inc.**

Appendix A
Walking Distance to Schools

While approximately 2 out of 5 respondents indicating that having quality public schools was very important (Figure 90), Figure 96 indicates that only 1 out of 7 view being able to walk to schools is very important. Although there are slight differences among the age cohorts, there seem to be slightly larger portions of the younger cohorts that view this community characteristic as moderately important (i.e. 27 percent of under 35s say it is moderately important, compared to 22 percent and 15 percent for those between 35 and 54 and those over 55, respectively).

Again, as a matter of future housing choice, Figure 97 illustrates that 41 percent of the under 35s see it as very important to their future housing choice considerations versus 14 percent of them who do for their choices today. The changes in sentiment among the other age groups indicates, as with the importance of quality of public schools (Figure 90 and Figure 91 on page 100), that its importance remains relatively the same as it was for today’s housing choices.

Figure 96
Importance of Walking Distance to Schools by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>40%</td>
<td>19%</td>
<td>27%</td>
<td>14%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>42%</td>
<td>20%</td>
<td>22%</td>
<td>16%</td>
</tr>
<tr>
<td>55 and over</td>
<td>52%</td>
<td>20%</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Overall</td>
<td>43%</td>
<td>20%</td>
<td>22%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

Figure 97
Future Importance of Walking Distance to Schools by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>9%</td>
<td>17%</td>
<td>34%</td>
<td>41%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>36%</td>
<td>19%</td>
<td>24%</td>
<td>21%</td>
</tr>
<tr>
<td>55 and over</td>
<td>54%</td>
<td>26%</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>Overall</td>
<td>36%</td>
<td>21%</td>
<td>23%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
APPENDIX B: MISCELLANEOUS ANALYSIS


Housing Price Attainability

Categories

Figure 98 illustrates a spectrum of income categories for owners and renters in Lakewood, classified by increments of Area Median Income (AMI). The data represent the proportion of owners and renters by AMI category for 2015. Generally, renters often account for a majority of households in lower income categories, and owners often account for a majority of households in higher income categories, whereas toward the middle or slightly below the middle of the spectrum (i.e. around the median income), it is common for these proportions to be somewhat balanced. As shown, households earning less than 80 percent of AMI, or $49,000, is this point in the spectrum. Between 50 and 80 percent AMI, more than half of Lakewood’s households are renters and slightly less are owners. At 80 to 100 percent AMI, the distribution reverses, where more than half of households are owners and less than half are renters. The proportion of owners increases to slightly more than 80 percent at the highest income level, and the proportion of renters increases to slightly more than 60 percent at the lowest income levels.

Figure 98
Household Income Levels by Tenure
For the purposes of policy discussion, broad categories of housing used to characterize different levels of demand are illustrated in Figure 99. On the spectrum, supportive services are often associated with social assistance, e.g. mental health, substance abuse services. Deeply subsidized rental housing are frequently needed to remedy problems associated with populations of special needs, homelessness or at-risk of homelessness. These are not the only types of households in this category – there are also, for example, owner households on a fixed-incomes, e.g. a pension, who may fall into this category, but not require such services.

Affordable housing is often a term used to describe the next category of housing demand, including the 30 to 80 percent AMI levels. Households in the category of 30 to 50 percent AMI may also need supportive services, but they are more frequently associated with special needs populations or employed households struggling with very low-paying jobs. The 50 to 80 percent AMI is much more frequently the focus of communities struggling with supply-side shortages of rental housing for its service workforce (a common problem in resort settings), e.g. retail, accommodations, etc. that are necessary to keep a heavily service-sector economy functioning.

In similar contexts where issues of supply are concerned, the term workforce housing is frequently used to describe a segment of the housing inventory that meets the demands of a community’s essential workforce, including teachers, city government, police, fire, and emergency personnel, etc. This category is also synonymous with today’s discussions about “missing middle” housing. It is a segment of the market that is also overlooked by federal, state, and often local forms of subsidy, as well as market-rate development activity.

Figure 99
Household Income Levels with Typical Policy Terminology

---

Another series of categories frequently associated with different income levels, and illustrated in Figure 100 with Lakewood’s median income metrics for 2015, the most recent year for which this information is available and representative of the population. Extremely low income is used to characterize households with less than 30 percent AMI, very low income for households between 30 and 50 percent AMI, low income for households between 50 and 80 percent AMI, moderate income for households in the workforce housing category, and middle to high income for those in the market-rate categories of housing as described previously.

Figure 100
Household Income Levels with Income Terminology
Another way to look at the distribution of household incomes is to make an association with average wages of different industries. **Figure 101** shows the same income spectrum with the average wages for Lakewood’s industries categorized at the 2-digit NAICS level. It should be noted that this illustrates *individual* wages along a *household* income spectrum, which would assume that a household has a single wage-earner.

**Figure 101**

*Household Income Levels with Individual Wage Associations*
Using the wage levels identified above, **Figure 102** illustrates the target purchase prices for those individuals compared to the average resale price of housing sold in Lakewood during 2016. As such, workers in just two fields would have been available to afford the average-priced home in 2016.

**Figure 102**  
Estimated Target Purchase Price for Individuals by Industry, 2016
To expand on the conversation of attainability, Figure 103 illustrates the target purchase price for households by industry, assuming that the primary wage-earner workers in the respective field. To appropriately estimate these figures, the analysis used the average wages by industry and added approximately 70 percent of overall average wages to each household so that the weighted average salary of resulting households by industry equaled the average household income of households with earnings for Lakewood as observed by the U.S. Census ($78,064 in 2015). As such, households in nine industries from Finance & Insurance to Mining were able to afford the average-priced house in Lakewood.

**Figure 103**  
Estimated Target Purchase Price for Households by Industry, 2016

---

**Median Existing Home Resales Price**  
$337,583
Construction of Subsidized Housing

Figure 104 illustrates magnitudes of target purchase prices in each of these AMI categories with a visual overlay of the current average cost ($240,000) of building an ownership or rental housing unit in the market (rental units currently cost approximately $210,000 and ownership units currently cost approximately $270,000). The purpose is to illustrate the difficulties of and the level of subsidy required to building housing at the lowest levels of need. It should be noted that the gaps represent the difference between what a household could afford to pay in 2015 (i.e. a target purchase price) and the approximately average cost to construct a housing unit. It should also be noted that while ownership housing units would typically not be constructed for at incomes lower than 100 or 120 percent AMI in a typical market, the illustration presents the target purchase price for uniformity of calculation.

At under 30 percent AMI, where household incomes are under $18,000 (as shown previously), an affordable purchase price is estimated to be $53,200, leaving a construction financing gap of $187,000. A unit priced at 50 percent AMI would have a gap of $132,000, and a unit priced at 80 percent AMI would have a gap of $50,000. For rental units that cost approximately $210,000 to build, however, those gaps might be smaller – e.g. at 30 percent AMI, that gap would be approximately $156,000; at 50 percent AMI, the gap would be an estimated $74,000; and the gap at 80 percent AMI would be an estimated $20,000.

Figure 104
Household Income Levels with Price to Cost Gaps
Clearly, the lower the AMI level, the more subsidy required, which is what Figure 105 illustrates. In today's market of conventional resources, units built for the purpose of meeting extremely low income, special needs, homelessness, supportive services require immense resource – combining federal, state, and considerable local resources. Units built to meet the demands of very low income housing also use substantial federal and state resources, but don’t require the immense local subsidy – often requiring additional gap financing in the form of fee waivers (e.g. building permit fees, etc.). Units built for the low income housing spectrum require typically much less intense local resource, including private activity bonds (such as 4 percent low-income housing tax credits) as well as local fee waivers.

**Figure 105**

**Household Income Levels with Typical Gap Closure**
Miscellaneous

Consumer Expenditures

By comparison to other states, Colorado ranks in the top category for rate of growth in personal consumption expenditure, illustrated in Figure 106.

Figure 106
Percent Change in U.S. Personal Consumption Expenditure, 2014-2015

U.S. Bureau of Economic Analysis
By age, personal expenditure on consumption increases to primary working years (45 to 54) and decreases in age categories following Figure 107.

**Figure 107**

**Personal Consumption Expenditure by Age, 2015**

![Bar chart showing average annual expenditure per consumer unit by age group.](chart.png)

Table 16 illustrates consumer expenditure data by age and by type of expenditure in 2015. The largest differences in expenditure by age are attributable to housing and transportation costs, which account to more than 40 percent of the difference between households in the 45 to 54 category and all other older households.

**Table 16**

**Personal Consumption Expenditure by Age by Category, 2015**

<table>
<thead>
<tr>
<th>Category</th>
<th>Under 25 years</th>
<th>25-34 years</th>
<th>35-44 years</th>
<th>45-54 years</th>
<th>55-64 years and older</th>
<th>65 years and older</th>
<th>65-74 years</th>
<th>75 years and older</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>$5,328</td>
<td>$6,855</td>
<td>$8,664</td>
<td>$8,131</td>
<td>$7,102</td>
<td>$5,350</td>
<td>$5,973</td>
<td>$4,494</td>
</tr>
<tr>
<td>Food away from home</td>
<td>$2,536</td>
<td>$3,193</td>
<td>$3,837</td>
<td>$3,595</td>
<td>$2,834</td>
<td>$2,060</td>
<td>$2,314</td>
<td>$1,681</td>
</tr>
<tr>
<td>Housing</td>
<td>$11,502</td>
<td>$18,334</td>
<td>$22,197</td>
<td>$21,153</td>
<td>$18,254</td>
<td>$15,466</td>
<td>$16,364</td>
<td>$14,233</td>
</tr>
<tr>
<td>Household furnishings and equipment</td>
<td>$1,135</td>
<td>$1,743</td>
<td>$2,050</td>
<td>$2,040</td>
<td>$2,083</td>
<td>$1,472</td>
<td>$1,763</td>
<td>$1,072</td>
</tr>
<tr>
<td>Apparel and services</td>
<td>$1,370</td>
<td>$1,926</td>
<td>$2,542</td>
<td>$2,529</td>
<td>$1,622</td>
<td>$1,035</td>
<td>$1,284</td>
<td>$694</td>
</tr>
<tr>
<td>Transportation</td>
<td>$6,418</td>
<td>$9,812</td>
<td>$10,947</td>
<td>$11,723</td>
<td>$10,030</td>
<td>$6,802</td>
<td>$7,954</td>
<td>$5,220</td>
</tr>
<tr>
<td>Healthcare</td>
<td>$953</td>
<td>$2,786</td>
<td>$3,862</td>
<td>$4,668</td>
<td>$5,116</td>
<td>$5,751</td>
<td>$5,693</td>
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<td>Entertainment</td>
<td>$1,391</td>
<td>$2,500</td>
<td>$3,171</td>
<td>$3,295</td>
<td>$3,332</td>
<td>$2,448</td>
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<td>Education</td>
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<td>$633</td>
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<td>$1,038</td>
<td>$885</td>
<td>$896</td>
<td>$981</td>
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<tr>
<td>Other</td>
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<td>$5,555</td>
<td>$8,613</td>
<td>$6,666</td>
<td>$2,639</td>
<td>$3,332</td>
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<td>Annual aggregate expenditures</td>
<td>$33,075</td>
<td>$52,658</td>
<td>$65,140</td>
<td>$69,343</td>
<td>$59,072</td>
<td>$44,376</td>
<td>$48,918</td>
<td>$38,146</td>
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Source: BLS CES; Economic & Planning Systems

114 Appendix B
<table>
<thead>
<tr>
<th>Allocation Range</th>
<th># of Allocations</th>
<th>BP Date</th>
<th>Applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-001</td>
<td>1</td>
<td>Issued</td>
<td>Oscar Rodriguez</td>
</tr>
<tr>
<td>20-002 - 20-006</td>
<td>5</td>
<td></td>
<td>Anthony Del Grippo</td>
</tr>
<tr>
<td>20-007 - 20-030</td>
<td>24</td>
<td>Issued</td>
<td>Century Communities</td>
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<tr>
<td>20-031 - 20-070</td>
<td>40</td>
<td></td>
<td>Nathan Sandberg</td>
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<td>20-071 - 20-092</td>
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<td>Joseph Klopfenstein</td>
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<td></td>
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</tr>
<tr>
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<td>Saul Construction</td>
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<td>20-127 - 20-155</td>
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<td></td>
<td>Jovo Poparar</td>
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<td></td>
<td>CIM Investments</td>
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<td></td>
<td>Nathan Hoppe</td>
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<tr>
<td>20-159</td>
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<td></td>
<td>Kris Mahoney</td>
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<td></td>
<td>Dirk Nygaard</td>
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<td>20-161</td>
<td>1</td>
<td></td>
<td>Ed &amp; Michele Stafford</td>
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<tr>
<td>20-162</td>
<td>1</td>
<td></td>
<td>Jenna Gorman</td>
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<td>Total Used</td>
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<td>0</td>
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<td>Still Available</td>
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<td>Project Description</td>
<td></td>
<td></td>
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<tr>
<td>-------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Single family home</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Townhomes (7 units)</td>
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<td></td>
</tr>
<tr>
<td>24 Townhomes</td>
<td></td>
<td></td>
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<tr>
<td>40 Townhomes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22 Townhome</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Single family group home</td>
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<td>1 Single family group home</td>
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</tr>
<tr>
<td>1 ADU</td>
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<td></td>
</tr>
<tr>
<td>30 Multifamily units</td>
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<td>1 Single family home</td>
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</tr>
<tr>
<td>29 Single family homes</td>
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<td></td>
</tr>
<tr>
<td>1 ADU</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
STAFF MEMO

DATE OF COUNCIL MEETING: JULY 27, 2020 / AGENDA ITEM NO. 10
CONTINUED TO: AUGUST 10, 2020 / AGENDA ITEM NO. 10

To: Mayor and City Council

From: Robert Smith, Economic Development Director, 303-987-7732

Subject: CLARIFICATION OF BLIGHT DEFINITION (MUNICIPAL CODE CHAPTER 14.27)

SUMMARY STATEMENT: Per Council Member Bieda’s request and direction from City Council on July 6, 2020, staff has prepared the following proposed amendment to chapter 14.27 of the Lakewood Municipal Code, regarding the strategic growth initiative, for City Council’s consideration. The amendment aims to provide greater clarity regarding the definition of “blight” as the term is used in chapter 14.27.

BACKGROUND INFORMATION: On July 12, 2019, following voter approval at a special election, a city-originated ordinance took effect which is designed to limit residential growth in the City of Lakewood. The language of the strategic growth initiative was discussed by City Council in July, August, October and December of 2019, but questions still remained about the interpretation and application of the term “blight.”

In an attempt to provide a greater level of clarity, Council Member Bieda provided the attached wording as a proposed amendment to the strategic growth ordinance. It is staff’s understanding that the intent of the proposed language is to dissuade an applicant from declaring a property blighted for the sole intention of usurping the allocation process outlined in chapter 14.27 of the Municipal Code.

BUDGETARY IMPACTS: There is no budget impact from the proposed clarification to the blight definition.

STAFF RECOMMENDATIONS: Staff recommends that City Council review and vote on the attached amendment.

ALTERNATIVES: The City Council may approve the resolution with the amended language, reject the amendment to chapter 14.27, or propose additional changes to the language of chapter 14.27.

PUBLIC OUTREACH: This item was promoted through the regular communication channels for items that come before City Council for consideration.

NEXT STEPS: None.

ATTACHMENTS: Resolution 2020-24

REVIEWED BY: Kathleen E. Hodgson, City Manager
A RESOLUTION

AMENDING THE DEFINITION OF BLIGHT AS USED IN CHAPTER 14.27 OF THE LAKEWOOD MUNICIPAL CODE CONCERNING A BUILDING PERMIT MANAGEMENT SYSTEM USING ALLOCATIONS FOR NEW DWELLING UNITS AND ESTABLISHING RULES AND PROCEDURES FOR REQUESTS TO DESIGNATE PROPERTY AS BLIGHTED

WHEREAS, a majority of the voters at a special election on July 2, 2019, approved a citizen-initiated ordinance designed to limit residential growth in the City of Lakewood;

WHEREAS, the residential growth limitation ordinance (the "strategic growth ordinance") is codified at Chapter 14.27 of the Lakewood Municipal Code ("LMC");

WHEREAS, the word "blight" or "blighted" is used repeatedly in the strategic growth ordinance, but is not defined therein;

WHEREAS, the strategic growth ordinance expressly provides that the City Council may adopt rules as necessary to administer the ordinance;

WHEREAS, the City Council adopted Resolution 2020-7 as a rule interpreting the strategic growth initiative and defining blight for use in that ordinance;

WHEREAS, the term "blighted," as currently used in the strategic growth initiative, may have the unintended effect of leaving the door open to property owners deliberately allowing their properties to fall into disrepair so as to avoid the permit allocation process; and

WHEREAS, the City Council therefore desires to amend the language found in Resolution 2020-7 14-27 to further clarify the way blight determinations are made.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lakewood:

SECTION 1. Resolution 2020-7 is hereby amended by the addition of a new Section 5, to read in full as follows:

SECTION 5. It is not the intent of this Resolution to reward property owners who have failed to reasonably care for their property by exempting their property from the application of LMC Chapter 14.27. The Lakewood City Council will not designate a property as blighted under Sections 2, 3 and 4 if it determines that a property owner has failed to reasonably keep their property safe, secure, sanitary and in good condition and repair, or has otherwise failed to comply with the zoning requirements of the LMC.
SECTION 2. Resolution 2020-7 is hereby amended by the addition of a new Section 6 to read in full as follows:

SECTION 6. In making a determination of whether a property is blighted for purposes of Chapter 14.27, and in addition to the factors listed in C.R.S. 31-25-103, the City Council shall consider the length of time a property has been vacant or deteriorated, the reasons for the vacant or deteriorated condition of the property, the condition of the neighborhoods surrounding the property and the marketability of the property.

SECTION 3. All other provisions of Resolution 2020-7 and the strategic growth ordinance, Chapter 14-27 of the Lakewood Municipal Code, shall remain in full force and effect.

SECTION 4. If any provision of this Resolution should be found by a court of competent jurisdiction to be invalid, such invalidity shall not affect the remaining portions or applications of this Resolution that can be given effect without the invalid portion, provided that such remaining portions or application of this Resolution are not determined by the court to be inoperable.

INTRODUCED, READ AND ADOPTED by a vote of ____ for and ____ against at a virtual regular meeting of the Lakewood City Council held on July 27, 2020, at 7 o’clock p.m.

_________________________________
Adam Paul, Mayor

ATTEST:

_______________________________
Michele Millard, City Clerk

APPROVED AS TO FORM:

_______________________________
Timothy P. Cox, City Attorney
DATE OF COUNCIL MEETING: AUGUST 10, 2020 / AGENDA ITEM NO. 11

To: Mayor and City Council

From: Robert Smith, Director of Economic Development, 303-987-7732

Subject: RESOLUTION APPROVING A CHAPTER 14.27 BLIGHT DESIGNATION FOR THE PROPERTY LOCATED AT 1347 LAMAR STREET

SUMMARY STATEMENT: In the implementation of Chapter 14.27 Residential Growth Limitations Ordinance, properties located within previously established Urban Renewal Areas (URAs) were exempted from the provisions of the 14.27 Ordinance. Council also provided a process for individual property owners outside of the established URAs to conduct an independent Blight Study of their property, at their expense, to present to Council for the consideration of a 14.27 Blight Designation for the property. The Property Owner, Lamar Street Associates at 1347 Lamar St. along with their consultant, Matrix Design Group will present their findings so Council may consider granting a 14.27 Blight Designation for the property.

BACKGROUND INFORMATION:

- City Council previously made determinations of blight, in accordance with C.R.S. §31-25-101 et seq. for areas of Lakewood:
  - 1998 – West Alameda Corridor Reinvestment Area Phase 1 (Belmar)
  - 2000 – West Alameda Corridor Reinvestment Area Phase 2
  - 1999 – Colfax-Wadsworth Reinvestment Area (Creekside)
  - 2005 – West Colfax Avenue Corridor Reinvestment Area
- In July, 2019 Voters approved the Strategic Growth Initiative (SGI; Question 200)
- In July, 2019 the approved SGI was entered into City Code as Chapter 14.27 Residential Growth Limitations
  - Chapter 14.27 refers to blighted and distressed areas twice:
    - Under 14.27.010 Purpose/Intent, item B: “Encourage redevelopment of blighted and distressed areas;”
    - Under 14.27.020 Implementation/Exceptions, item A: “Structures located, or to be located, upon land that is designated ‘blighted.’”
- In January, 2020 City Council passed RESOLUTION 2020-7 defining “blighted” as used in Chapter 14.27 and established rules and procedures for requests to designate property as blighted.
- The following table outlines Property Owner Lamar Street Associates’ compliance with RESOLUTION 2020-7

| Was a conditions survey (Blight Study) conducted by an independent consultant for the subject property/properties, with such survey being commissioned at the property owner(s) expense? | YES |

STAFF MEMO
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Was the conditions survey conducted in strict alignment with the criteria and methodology required for a state statute determination of a “Blighted Area”?</td>
<td>YES</td>
</tr>
<tr>
<td>Were the Property Owners informed the conditions survey report will need to be scheduled for and presented to City Council at a public hearing by the property owner(s) and the independent consultant?</td>
<td>YES</td>
</tr>
<tr>
<td>Were the Property Owners informed upon presentation of the conditions survey report, City Council could determine whether sufficient conditions of blight, consistent with state urban renewal law, exist to designate the property as blighted?</td>
<td>YES</td>
</tr>
<tr>
<td>Were the Property Owners informed such designation of blight would occur by City Council resolution and would only apply to implementing Chapter 14.27 for the subject properties and shall not be construed as a blight designation for urban renewal purposes?</td>
<td>YES</td>
</tr>
<tr>
<td>Were the Property Owners informed Council’s 14.27 blight determination would sunset in a defined number of years?</td>
<td>YES</td>
</tr>
<tr>
<td>Were the Property Owners informed Council’s 14.27 blight determination would not change tax collection nor change the ability to use the power of eminent domain?</td>
<td>YES</td>
</tr>
<tr>
<td>Were the Property Owners informed Property(ies) with a 14.27 determination would not be under the Lakewood Reinvestment Authority’s (LRA) oversight?</td>
<td>YES</td>
</tr>
</tbody>
</table>

- The consultant’s report indicates six (6) State defined blighting elements exist on the property. Sufficient for a 14.27 Blight Designation to be conferred. (In alignment with C.R.S. §31-25-101 et seq., a minimum of four (4) blighting factors must be present for blight determination.)

- According to the consultant’s report the following State Statute Defined conditions of blight are present on the property:

<table>
<thead>
<tr>
<th>Condition</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deteriorated or deteriorating structures</td>
<td></td>
</tr>
<tr>
<td>Defective or inadequate street layout</td>
<td>YES</td>
</tr>
<tr>
<td>Faulty lot layout in relation to size, adequacy, accessibility, or usefulness</td>
<td>YES</td>
</tr>
<tr>
<td>Unsanitary or unsafe conditions</td>
<td>YES</td>
</tr>
<tr>
<td>Deterioration of site or other improvements</td>
<td></td>
</tr>
<tr>
<td>Unusual topography or inadequate public improvements or utilities</td>
<td>YES</td>
</tr>
<tr>
<td>Defective or unusual conditions of title rendering the title non-marketable</td>
<td></td>
</tr>
<tr>
<td>Conditions that endanger life or property by fire or other causes</td>
<td></td>
</tr>
<tr>
<td>Buildings that are unsafe or unhealthy for people to live or work</td>
<td></td>
</tr>
<tr>
<td>Environmental contamination of buildings or property</td>
<td></td>
</tr>
<tr>
<td>Existence of health, safety, or welfare factors requiring high levels of municipal services or substantial underutilization or vacancy of buildings, sites, or improvements</td>
<td>YES</td>
</tr>
</tbody>
</table>

- The Study Area is the approximately one half acre property located at 1347 Lamar Street in Lakewood, Colorado.
- The property is currently a vacant lot with negative vegetation, unkempt trees, weeds and an unvegetated packed-earth area used for overflow parking and vehicle turnaround.
- There is undefined, unpaved access to Lamar Street on the east side of the parcel and non-engineered access to the World Church parking lot on the north side.
- Above ground utilities are present along eastern and northern parts of the property.
- No curb, gutter or sidewalks are present along Lamar and no stormwater controls or facilities are present within the property boundary.
- The Study Area is located less than 500 feet from the exiting West Colfax Avenue Corridor Reinvestment Area (URA). The exiting URA boundary is directly north of the property across 14th Avenue.
• The Lamar Station stop along the W-Line Lightrail is within a half block of the Study Area property. Lightrail provides public transportation access to the metropolitan region.

• The property is along the 40West ArtLine, a 4-mile walking and biking cultural asset in the City of Lakewood. This amenity has strong community support and the City continues to invest and grow arts related assets in the area. Lakewood actively encourages property owners along the ArtLine route to invest in their properties and engage with this community amenity.

• The Study area is located within the Colorado Enterprise Zone, a program aimed at promoting a business-friendly environment in economically distressed areas. Enterprise Zones are areas that see higher than average unemployment, higher poverty and lower incomes. Through this program, businesses are encouraged to invest, grow jobs and engage with their communities.

• This property is located within a federal Opportunity Zone. The census block in which the subject property sits was given Opportunity Zone status because it has seen disproportionately slow economic recovery and growth.

• Data collection for the Conditions Survey was conducted through site visits, pictures, research and statistical databases.

• The Study Area property is found to have 6 of 11 blight factors. The presence of at least 4 blight factors are required by State law for urban renewal areas.

• An active search was not conducted for blight factor G due to time and cost. G is “defective or unusual conditions of title rendering the title non-marketable”. This does not necessary mean defective or unusual title conditions do not exist.

• A description of each blight factor is included in the blight study report. And a summary of each blight finding is also included in the blight report.

BUDGETARY IMPACTS: None anticipated

STAFF RECOMMENDATIONS: Staff recommends Council approves RESOLUTION 2020-XX Approving a Chapter 14.27 Blight Designation for the Property Located at 1347 Lamar Street

ALTERNATIVES:
• City Council may vote to not approve RESOLUTION 2020-26
• City Council may amend RESOLUTION 2020-26 and vote to approve with amendments

PUBLIC OUTREACH: This item was promoted through the regular communication channels for items that come before City Council for consideration.

ATTACHMENTS: Resolution 2020-26
Map of 1397 Lamar St.
Completed Blight Study by Matrix Design Group

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Timothy P. Cox, City Attorney
Map of 1347 Lamar Street
A RESOLUTION

APPROVING A CHAPTER 14.27 BLIGHT DESIGNATION PURSUANT TO CHAPTER 14.27 OF THE LAKEWOOD MUNICIPAL CODE FOR PROPERTY LOCATED AT 1347 LAMAR STREET IN LAKEWOOD, COLORADO

WHEREAS, in July 2019, a voter-approved initiative limiting residential growth was added to the Lakewood Municipal Code as Chapter 14.27;

WHEREAS, such Chapter 14.27 refers to blighted and distressed areas in section 14.27.010(B) (Encourage redevelopment of blighted and distressed areas), and in section 14.27.020(A) ( Structures located, or to be located, upon land that is designated “blighted”);

WHEREAS, in January 2020, the City Council approved Resolution 2020-7 defining “blighted,” as used in Chapter 14.27, and establishing rules and procedures for requests to designate property as blighted for the purposes of Chapter 14.27;

WHEREAS, the property owners of certain property located at 1347 Lamar Street in Lakewood (the “Property”) have complied with all rules and procedures for requests to designate property as blighted under Chapter 14.27;

WHEREAS, an independent consultant’s conditions survey, also known as a “blight study,” has concluded that the Property contains sufficient blight conditions;

WHEREAS, the conditions survey was conducted in strict alignment with the criteria and methods required for a determination of a “blighted area” under Colorado’s Urban Renewal Law, C.R.S. §§ 31-25-101, et seq.; and

WHEREAS, the City Council substantially agrees with the conclusions presented in the Conditions Survey and desires to designate the Property as “blighted” for the purposes of Chapter 14.27.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lakewood, Colorado, that:

SECTION 1. The property at 1347 Lamar Street, Lakewood, Colorado, is hereby designated as “blighted” for the purposes of Chapter 14.27 of the Lakewood Municipal Code (the “Blight Designation”).

SECTION 2. The Blight Designation shall expire upon either the Property’s completed redevelopment or twenty (20) years from the date of this Resolution, whichever occurs first.

SECTION 3. The Blight Designation will apply only for the purposes of Chapter 14.27, will not alter or limit any taxing jurisdiction’s legal authority to assess or collect taxes of any kind on the Property, and will not limit the City’s eminent domain authority with respect to the Property.
SECTION 4. The Blight Designation shall not be construed as a blight designation for urban renewal purposes and will not place the Property under the Lakewood Reinvestment Authority’s jurisdiction.

SECTION 5. This Resolution shall become effective immediately upon adoption.

INTRODUCED, READ AND ADOPTED by a vote of ____ for and ____ against at a virtual regular meeting of the Lakewood City Council held on August 10, 2020 at 7 o’clock p.m.

______________________________
Adam Paul, Mayor

ATTEST:

______________________________
Michele Millard, City Clerk

APPROVED AS TO FORM:

______________________________
Timothy P. Cox, City Attorney
Property Conditions Assessment (Blight Study) for 1347 Lamar Street Lakewood, Colorado March 2020

Prepared for:
Lamar Street Associates
1772 Platte Street, Suite 100
Denver, Colorado 80202

Prepared by:
Matrix
No document content on this page
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Section 1: Project Overview

EXECUTIVE SUMMARY

On behalf of Lamar Street Associates, LLC (LSA), Matrix Design Group, Inc. (Matrix) has completed a Property Conditions Assessment (also known as a “Blight Study”) for the developable property at 1347 Lamar Street in Lakewood, Colorado (Study Area). This Assessment is an examination and analysis of physical conditions identified within a defined geographic area (in this instance the property boundary) to determine if the area qualifies as “blighted” within the meaning of Colorado Urban Renewal Law under the 2016 Colorado Revised Statute (CRS) Title 31, Article 25, Part 1. (CRS § 31-25-101 et seq).

For the current Study Area to qualify as a blighted area, the presence of at least one factor of blight (out of a possible eleven) must be identified. Blight factors are indicators of substantially impaired or arrested growth of the municipality, retardation of the provision of housing accommodations, economic or social liability, and can be considered a menace to the public health, safety, morals, or welfare of the area. CRS § 31-25-103 (2)

In July 2019, City of Lakewood voters approved a Strategic Growth Initiative that established a building permit management system limiting residential growth in the City to no greater than one percent annually. Properties with a designation of blight are exempt from the one percent rule, thereby encouraging redevelopment of blighted and distressed areas.

This assessment identified conditions six blight factors within the Study Area including:

- Predominance of defective or inadequate street layout
- Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
- Unsanitary or unsafe conditions
- Deterioration of site or other improvements
- Unusual topography or inadequate public improvements or utilities
- The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements.

Based on this Conditions Assessment prepared in accordance with the Colorado Urban Renewal statute, the property located at 1347 Lamar Street qualifies as a blighted area.
METHODOLOGY
The defined geographical area for this Assessment (Study Area) lies entirely within
the property located at 1347 Lamar Street in Lakewood, Colorado, and identified
by the Jefferson County Assessor as Parcel No. 49-012-10-017. Figure 1.1 shows the
location of the Study Area in relation to surrounding areas.

Figure 1.1  Study Area Boundary

Data collection for conditions of blight (see Sections 2 and 3 for what constitutes
conditions of blight) was accomplished through several means. For those blight
conditions that could be identified by visual observations and by the use of maps
and aerial photography, Matrix conducted a field survey (site reconnaissance) of
the Study Area on March 12, 2020. For those blight conditions that are not
observable in the field (such as traffic data, crime statistics, etc.), blight condition
data was obtained from researching available resources including statistical
databases.

Matrix did not conduct an active search for one blight factor identified in the
Colorado Urban Renewal statute, ("G. Defective or unusual conditions of title
rendering the title non-marketable"), due to the extensive time and cost that
would be involved with researching the property title. That does not mean,
however, that defective or unusual title conditions do not exist.

Section 2: Colorado Urban Renewal Statutes

In CRS 31-25 (§ 31-25-101 et seq.), the legislature has declared that an area of blight “constitutes a serious and growing menace, injurious to the public health, safety, morals, and welfare of the residents of the state in general and municipalities thereof; that the existence of such areas contributes substantially to the spread of disease and crime, constitutes an economic and social liability, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities; and that the prevention and elimination of slums and blight is a matter of public policy and statewide concern....” CRS § 31-25-102.

Under the Urban Renewal Law, the term “blighted area” describes an area with an array of issues, including health and social deficiencies, and physical deterioration. Colo. Rev. Stat. § 31-25-103(2). Before remedial action can be taken, however, the Urban Renewal Law requires a finding by the appropriate governing body that an area such as the Study Area constitutes a blighted area. CRS § 31-25-107(1).

One of the goals of the City of Lakewood Strategic Growth Initiative is to encourage development of blighted and distressed areas. Although residential growth is capped at one percent annually, the Strategic Growth Initiative exempts structures located, or to be located, upon land that is designated as blighted.

For purposes of the Survey, the definition of a blighted area for this property, in which the owner does not object to a designation of blight, is articulated in the Colorado Urban Renewal statute as follows:

“Blighted area” means an area that, in its present condition and use and, by reason of the presence of at least one of the following factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare:

  a. Slum, deteriorated, or deteriorating structures;
  b. Predominance of defective or inadequate street layout;
  c. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
  d. Unsanitary or unsafe conditions;
  e. Deterioration of site or other improvements;
  f. Unusual topography or inadequate public improvements or utilities;
g. Defective or unusual conditions of title rendering the title non-marketable;

h. The existence of conditions that endanger life or property by fire or other causes;

i. Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;

j. Environmental contamination of buildings or property; or

k. (actually k.5. in the statute) The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements; or

l. if there is no objection by the property owner or owners and the tenant or tenants of such owner or owners, if any, to the inclusion of such property in an urban renewal area, ‘blighted area’ also means an area that, in its present condition and use and, by reason of the presence of any one of the factors specified in paragraphs (a) to (k.5) of this subsection (2), substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare. For purposes of this paragraph (l), the fact that an owner of an interest in such property does not object to the inclusion of such property in the urban renewal area does not mean that the owner has waived any rights of such owner in connection with laws governing condemnation.

The statute also states a separate requirement for the number of blight factors that must be present if private property is to be acquired by eminent domain. CRS § 31-25-105.5(5), paragraph (a.) states, “‘Blighted area’ shall have the same meaning as set forth in section 31-25-103 (2); except that, for purposes of this section only, ‘blighted area’ means an area that, in its present condition and use and, by reason of the presence of at least five of the factors specified in section 31-25-103 (2)(a) to (2)(l)...”

In any case where the acquisition of property by eminent domain by an authority displaces individuals, families, or business concerns, the authority shall make reasonable efforts to relocate such individuals, families, or business concerns within the urban renewal area, where such relocation is consistent with the uses provided in the urban renewal plan, or in areas within reasonable proximity of, or comparable to, the original location of such individuals, families, or business concerns.

Thus, the state statutes require, depending on the circumstances, that a minimum of one (if no objections by owner or tenant), four (standard number of blight factors required), or five (acquisition by eminent domain) blight factors be present.
for an area to be considered a “blighted area.”

Several principles have been developed by Colorado courts to guide the determination of whether an area constitutes a blighted area under the Urban Renewal Law. First, the absence of widespread violation of building and health codes does not, by itself, preclude a finding of blight. According to the courts, “the definition of ‘blighted area’ contained in [the Urban Renewal Law] is broad and encompasses not only those areas containing properties so dilapidated as to justify condemnation as nuisances, but also envisions the prevention of deterioration.” CRS § 31-25-103.

Second, the presence of one well-maintained building does not defeat a determination that an area constitutes a blighted area. Normally, a determination of blight is based upon an area “taken as a whole,” and not on a building-by-building, parcel-by-parcel, or block-by-block basis. CRS § 31-25-103.

This report makes a recommendation as to whether the Study Area qualifies as a blighted area based on the number of blight factors identified during the Assessment. As discussed in the following sections, six of the eleven factors of blight have been identified within the Study Area indicating that the Study Area qualifies as a blighted area in all scenarios. The final determination of blight must be approved by the Lakewood City Council.
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Section 3: Conditions Indicative of the Presence of Blight

As discussed in Section 2, the Colorado urban renewal statute provides a list of 11 factors that, through their presence, may allow an area to be declared as blighted. This section elaborates on those 11 factors by describing some of the conditions that might be found within a Study Area that would indicate the presence of those factors.

a. Slum, Deteriorated, or Deteriorating Structures:
During the field reconnaissance of the Study Area, the general condition and level of deterioration of buildings within the Study Area are evaluated. This examination is limited to a visual inspection of the building’s exterior condition and is not a detailed engineering or architectural analysis, nor does it include the building’s interior. The intent is to document obvious indications of disrepair and deterioration to the exterior of a structure found within the Study Area. Some of the exterior elements observed for signs of deterioration include:

- Primary elements (exterior walls, visible foundation, roof)
- Secondary elements (fascia/soffits, gutters/downspouts, windows/doors, façade finishes, loading docks, etc.)
- Ancillary structures (detached garages, storage buildings, etc.)

b. Predominance of Defective or Inadequate Street Layout:
The presence of this factor is determined through a combination of both field observation as well as an analysis of the existing transportation network and vehicular and pedestrian circulation patterns in the Study Area by persons with expertise in transportation planning and/or traffic engineering. These conditions include:

- Inadequate street or alley widths, cross-sections, or geometries
- Poor provisions or unsafe conditions for the flow of vehicular traffic
- Poor provisions or unsafe conditions for the flow of pedestrians
- Insufficient roadway capacity leading to unusual congestion of traffic
- Inadequate emergency vehicle access
- Poor vehicular/pedestrian access to buildings or sites
- Poor internal vehicular/pedestrian circulation
- Excessive curb cuts/driveways in commercial area

These conditions can affect the adequacy or performance of the transportation system within the Study Area, creating a street layout that is defective or inadequate.
c. Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness:
This factor requires an analysis of the parcels within the Study Area as to their potential and usefulness as developable sites. Conditions indicative of the presence of this factor include:

- Lots that are long, narrow, or irregularly shaped
- Lots with limited or no access
- Lots that are inadequate in size
- Lots with configurations that result in stagnant, misused, or unused land
- Lots with billboards that have active leases, making redevelopment more difficult

This analysis considers the shape, orientation, and size of undeveloped parcels within the Study Area and if these attributes would negatively impact the potential for development of the parcel. This evaluation is performed both through observation in the field and through an analysis of parcel boundary maps of the Study Area.

d. Unsanitary or Unsafe Conditions:
Conditions observed within the Study Area that qualify under this blight factor include:

- Floodplains or flood prone areas
- Inadequate storm drainage systems/evidence of standing water
- Poor fire protection facilities
- Fire-prone areas or structures
- Above average incidences of public safety responses
- Inadequate sanitation or water systems
- Existence of contaminants or hazardous conditions or materials
- High or unusual crime statistics
- Open trash dumpsters
- Severely cracked, sloped, or uneven surfaces for pedestrians
- Illegal dumping
- Vagrants/vandalism/graffiti/gang activity
- Open ditches, holes, or trenches in pedestrian areas

These represent situations in which the safety of individuals, especially pedestrians and children, may be compromised due to environmental and physical conditions considered to be unsanitary or unsafe.

e. Deterioration of Site or Other Improvements:
The conditions that apply to this blight factor reflect the deterioration of various improvements made on a site other than building structures. These conditions may represent a lack of general maintenance at a site, the physical degradation of
specific improvements, or an improvement that was poorly planned or constructed. Overall, the presence of these conditions can reduce a site’s usefulness and desirability and negatively affect nearby properties.

- Neglected properties or evidence of general site maintenance problems
- Deteriorated signage or lighting
- Deteriorated fences, walls, or gates
- Deterioration of on-site parking surfaces, curb & gutter, or sidewalks
- Poorly maintained landscaping or overgrown vegetation
- Poor parking lot/driveway layout
- Unpaved parking lot on commercial properties

**f. Unusual Topography or Inadequate Public Improvements or Utilities:**
The focus of this factor is on the presence of unusual topographical conditions that could make development prohibitive, such as steep slopes or poor load-bearing soils, as well as deficiencies in the public infrastructure system within the Study Area that could include:

- Steep slopes / rock outcroppings / poor load-bearing soils
- Deteriorated public infrastructure (street/alley pavement, curb, gutter, sidewalks, street lighting, storm drainage systems)
- Lack of public infrastructure (same as above)
- Presence of overhead utilities or billboards
- Inadequate fire protection facilities/hydrants
- Inadequate sanitation or water systems

**g. Defective or Unusual Conditions of Title Rendering the Title Non-Marketable:**
Certain properties can be considered non-marketable making redevelopment overly difficult if they have overly restrictive or prohibitive clauses in their deeds or titles, or if they involve an unusually complex or highly divided ownership arrangement. Examples of conditions considered non-marketable include:

- Properties with covenants or other limiting clauses that significantly impair their ability to redevelop
- Properties with disputed or defective title
- Multiplicity of ownership making assemblages of land difficult or impossible

**h. Existence of Conditions that Endanger Life or Property by Fire or Other Causes:**
A finding of blight within this factor can result from the presence of the following conditions, which include both the deterioration of physical improvements that can lead to dangerous situations as well as the inability for emergency personnel or
equipment to provide services to a site:

- Sites inaccessible to fire and emergency vehicles
- Fire-prone areas or structures
- Blocked/poorly maintained fire and emergency access routes/frontages
- Insufficient fire and emergency vehicle turning radii
- Properties not in compliance with fire codes or environmental regulations

**i. Buildings that are Unsafe or Unhealthy for Persons to Live or Work In because of Building Code Violations, Dilapidation, Deterioration, Defective Design, Physical Construction, or Faulty or Inadequate Facilities:**

Some of the conditions that can contribute to this blight factor include:

- Buildings or properties not in compliance with fire codes, building codes, or environmental regulations
- Buildings with deteriorated elements that create unsafe conditions
- Buildings with inadequate or improperly installed utility components

**j. Environmental Contamination of Buildings or Property:**

This factor represents the presence of contamination in the soils, water sources, or other locations within the Study Area and may include:

- Presence of hazardous substances, liquids, or gases
- Presence of Environmental Land Use Controls
- Regulatory Oversight or Corrective Actions
- Presence of Recognized Environmental Conditions

**k.5 Existence of Health, Safety, or Welfare Factors Requiring High Levels of Municipal Services or Substantial Physical Underutilization or Vacancy of Sites, Buildings, or Other Improvements:**

The physical conditions that may contribute to this blight factor include:

- Sites with a high incidence of fire, police, or emergency responses
- Sites adjacent to streets/alleys with a high incidence of traffic accidents
- Sites with a high incidence of code enforcement responses
- An undeveloped parcel in a generally urbanized area
- Vacant, empty, or unused buildings
- A parcel with a disproportionately small percentage of its total land area developed
Section 4: Study Area Location and Description

This Property Conditions Assessment is for the real property located at 1347 Lamar Street in Lakewood Colorado. The property is identified by the Jefferson County Assessor as Parcel No. 49-012-10-017, PIN/Schedule No. 300207571. The property is bordered on the east by Lamar Avenue, on the north by 6464 West 14th Avenue (World Church), on the west by multi-family residential apartments (along Marshall Street), and on the south by 1315 Lamar Street (CHF Custom Rotomolding).

Currently the Study Area is composed of a vacant lot with native vegetation, unkempt trees and weeds, and an unvegeted packed-earth area used for overflow parking and vehicle turnarounds. There is undefined, unpaved access to Lamar Street on the east side of the parcel and non-engineered access to the World Church parking lot on the north side of the parcel. Above-ground utilities and utility poles are present along the eastern and northern sides of the property. No curb and gutter or sidewalks are present along Lamar Street. No stormwater controls or facilities are present within the property boundary.

Proposed development of the parcel includes site grading, utility installation, infrastructure, and construction of multi-family residential townhomes. The property is zoned M-N-T (mixed use neighborhood – transit) which allows for attached housing and multi-family residential use. A letter from the City of Lakewood Planning Department, dated October 22, 2018 confirmed that rezoning would not be required for approval of townhome development.

Surrounding areas are generally mixed-use with institutional, residential, industrial, and commercial developments. The Regional Transportation District (RTD)’s Light Rail West Line and Lamar Street Station are located within half a block of the Study Area along 13th Avenue. In 2005, the Lakewood Reinvestment Authority (LRA) established the 813-acre West Colfax Avenue Corridor Reinvestment Area that encompasses an area along Colfax Avenue from Sheridan Boulevard to Simms Street. This Reinvestment Area, located less than 500 feet north of the Study Area, was established after the area was demonstrated to be blighted according to Colorado State Statute. Redevelopment of the West Colfax Avenue Corridor included the Station Betterment project which allowed funding improvements for light rail stations at Wadsworth Boulevard and Oak Street.

Figure 4.1 identifies the Study Area and surrounding development.
Figure 4.1  Study Area and Surrounding Areas
Section 5: Assessment Findings

The overall findings of the 1347 Lamar Street property are presented below in a format that mirrors the list of factors and conditions of blight discussed in Section 3.

a. Slum, Deteriorated, or Deteriorating Structures

Slum, deteriorated, or deteriorating structures refers to current buildings that exist within the Study Area boundary. Because the Study Area is currently undeveloped, and no structures exist within the property boundary, this factor of blight is not present.

b. Predominance of Defective or Inadequate Street Layout

The Study Area is located along Lamar Street, a local primary street located in an area that has seen resurgent growth over the past few years. Curb and gutter and sidewalks are not present along Lamar Street at the Study Area, and access to the property from the paved roadway is undefined, unpaved, and rutted, with no curb (and therefore no curb cuts) to indicate a point of access. Additional access is present from the parking lot of the adjacent parcel where evidence of overflow parking and vehicle turnarounds was observed during the site reconnaissance. Because the access points connect non-paved and paved areas, issues such as the tracking of mud onto the street and erosion at the access points creates, at best a nuisance issue for both the City (Lamar Street access) and the adjacent property (World Church).

The lack of sidewalks and other pedestrian provisions along the roadway may also cause unsafe condition for local pedestrians.
Due to the lack of appropriate site access, a lack of sidewalks, a lack of curb and gutter, and potential safety concerns for pedestrians, **Blight Factor: Predominance of Defective or Inadequate Street Layout is present.**

### c. Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness

Faulty street layout often produces faulty lots, particularly when vehicular access is impacted. Other causes of faulty lot layout can include the presence of natural features such as creeks, or manmade features such as the presence of highways, rail roads, etc. In addition to access constraints, the size and shape of a property can impact a parcel’s utilization. Irregularly shaped parcels, inadequately shaped parcels, or parcels with natural or man-made obstacles can lead to undeveloped or inaccessible areas within the parcel itself, while small parcels may have little development value.
The main issue for the Study Area, as discussed, is a lack of adequate accessibility to the property from Lamar Street and an unconventional, unsupported access from the adjacent property. Prior to development, a defined point of access will need to be designed and completed.

Blight Factor: Faulty Lot Layout is present.

d. Unsanitary or Unsafe Conditions

During the field survey, Matrix observed conditions at the site including inadequate storm drainage systems, evidence of standing water, graffiti, homelessness, inadequate lighting, a lack of sidewalks, and other factors that could potentially cause unsanitary or unsafe conditions.
Matrix also reviewed the Federal Emergency Management Agency (FEMA) floodplain database, crime statistics for the City of Lakewood, and completed a review of environmental databases to identify additional unsanitary or unsafe conditions.
The FEMA floodplain map No. 08059C0302F showed no floodplains impacting the Study Area. The nearest identified floodplain was located at the traffic circle of Lamar Street and 14th Avenue, approximately 150 feet north of the Study Area.

Matrix reviewed the interactive Community Crime Map for 2020 (year to date) to further analyze crime data for the Study Area and surrounding areas. As indicated on the crime concentration map (Figure 5.1), the Study Area is in an area of increased crime risk being near higher crime areas along Colfax Avenue at Wadsworth Boulevard and Harlan Street.

![Figure 5.1 2020 Year to Date Crime Density Map](image)

Evidence of unsanitary and/or unsafe conditions were identified at and near the Study Area:

- Gang-related graffiti. Gang graffiti can indicate areas where crime risk may be elevated and is considered a safety issue.
- Elevated crime risk. Year to Date data for crime in the area shows an elevated safety risk.
- Homelessness. Homeless camping typically involves excess trash and other waste and is considered an unsanitary condition.
- Inadequate stormwater facilities. A lack of engineered drainage could potentially cause an unsafe condition at the Study Area and surrounding properties during high precipitation events.
• Inadequate lighting. A lack of street lamps on the west side of Lamar Street or other site lighting may increase the risk of crime or may indicate a safety risk between dusk and dawn.
• Lack of sidewalks. A lack of sidewalks along Lamar Street could present a safety risk for pedestrians in the area.

**Blight Factor: Unsanitary or Unsafe Conditions is present.**

e. **Deterioration of Site or Other Improvements**

The deterioration of the site or other improvements refers improvements made on a site other than building structures (e.g. infrastructure, landscaping). This condition of blight basically defines the Study Area as the Study Area is currently undeveloped, non-landscaped, and unmaintained. Because adjacent properties are fully maintained and landscaped, the unkemptness of the Study Area is a condition of blight.

*Photo 1: Unkempt, unmaintained vegetation at the Study Area*

*Photo 2: The Study Area is unmaintained and no site improvements are present*
Based on the lack of site maintenance and improvements within the Study Area, **Blight Factor: Deterioration of Site or Other Improvements is present.**

**f. Unusual Topography or Inadequate Public Improvements or Utilities**

Many deficiencies in infrastructure, public improvements, and utilities were identified within the Study Area boundary. The main issues observed during the site reconnaissance included a general lack of public improvements (no stormwater protections, no curb and gutter, no sidewalks) and potentially developmentally prohibitive overhead utilities.

*Photo 1: Overhead utilities exist on the north and east side of the parcel.*

Lack of infrastructure, public improvements, and utilities identifies **Blight Factor: Unusual Topography or Inadequate Public Improvements or Utilities** as present.

**g. Defective or Unusual Conditions of Title Rendering the Title Non-Marketable**

This factor was not researched and no evidence was presented to Matrix that would indicate that this condition exists within the Study Area.

**This blight factor was not determined**
**h. Existence of Conditions that Endanger Life or Property by Fire or Other Causes**

No conditions were observed during the field investigation that indicate conditions that endanger life or property.

This blight factor is not considered to be present in the Study Area.

**i. Buildings that are Unsafe or Unhealthy for Persons to Live or Work in Because of Building Code Violations, Dilapidation, Deterioration, Defective Design, Physical Construction, or Faulty or Inadequate Facilities**

The Study Area is undeveloped and no buildings are present within the property boundary.

This blight factor is not considered to be present in the Study Area.

**j. Environmental Contamination of Buildings or Property**

Matrix completed a governmental record file review and a review of historical properties consistent with the Environmental Protection Agency’s (EPA) Practices for All Appropriate Inquiries (AAI) (40 CFR Part 312) and the American Society for Testing and Materials (ASTM) Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (Standard E 1527-13).

In addition to the file review, Matrix completed a visual investigation of properties surrounding the Study Area boundary to assess potential environmental impacts associated with current or past site uses. Numerous properties were identified in governmental databases within a half mile of the Study Area, including Resource Conservation and Recovery Act (RCRA) Corrective Action sites, drycleaners, designated brownfield voluntary cleanup sites, leaking underground storage tanks (LUST)s, etc. Some of the more significant potentially-impacted sites located in the Colfax Avenue corridor include:

- Your One Hour Cleaners located at 1515 Pierce Street is approximately 1,450 feet northwest of (potentially upgradient to) the Study Area. This site is a RCRA Corrective Action Site with known groundwater contamination and is under a Colorado Department of Public Health and Environment (CDPHE) Compliance Order.
- The Goodyear property located at 6400 West Colfax Avenue approximately 800 feet north of (potentially upgradient to) the Study Area was the site of LUST and a voluntary brownfield cleanup. This site received a No Action Determination (NAD) from the CDPHE in 2008.
Minute Cleaners and Sharon Dry Cleaners located at 6465 and 6469 West Colfax Avenue, respectively, are identified in the drycleaner database. Chemical releases from drycleaner sites have the potential to impact groundwater in the area.

The Wolfe Miller Shopping Center located at 6469 West Colfax Avenue is approximately 850 feet north of (potentially upgradient to) the Study Area. The shopping center was the site of a RCRA Corrective Action in 2002 due to soil contamination. Remedial activities were completed in May 2002.

Five locations were identified within one quarter mile of the Study Area:

- In August 1990 at 14th Avenue and Lamar Street, public service workers ruptured a natural gas line causing a flash fire. More than 100 people were evacuated from the area.
- In July 2019 at 13th Avenue and Lamar Street, contractors ruptured a potable water line. The resulting release was bermed and escaped water made its way into storm drains in the area.
- The Adams Fine Furniture and Cabinetry site located at 1390 Lamar Street was listed as a Resource Conservation and Recovery Act (RCRA) conditionally exempt small quantity generator in 2012.
- Lakewood Fire Station #1 located at 6401 W 14th Avenue historically contained underground kerosene and diesel storage tanks; however according to the Colorado Department of Labor and Environment Division of Oil and Public Safety (OPS), these tanks have been closed and are no longer active. In September 1990, a release was confirmed from one of the underground petroleum storage tanks. The cleanup was initiated in September 1990 and a site investigation was completed. In 1995, the OPS issued a No Further Action (NFA) status for the site, indicating that cleanup had been achieved and no further cleanups or investigations were required.
- The Columbine Paper Supply company at 1300 Lamar Street historically contained underground gasoline storage tanks which have been closed according to the OPS.

The Study Area is in an area where industrial development is common, and numerous sites were identified upgradient to (north of) the Study Area. These sites include RCRA Corrective Action sites, drycleaners, voluntary cleanup sites, and historical LUSTs. The database report did not, however, indicate any sites within one quarter of a mile that are known to impact the Study Area property. No environmental contamination of the Study Area property is identified, however additional investigations may be recommended based on the presence of surrounding industrial properties. This blight factor is not considered to present in the Study Area.
k.5 The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements

The Study Area is in a highly developed part of Lakewood, just south of the Colfax Avenue commercial corridor. Development in the area has been sparked by creation of the West Colfax Avenue Corridor Reinvestment Area and the construction of the RTD West Light Rail Line. Many of the surrounding properties have undergone redevelopment and the City has completed numerous improvements along city right of ways including Lamar Street. Utilization of the Study Area would complement many of the improvements made by the City along the Lamar Street corridor. However, the site is vacant, unmaintained and underutilized, thereby diminishing the positive impact of the corridor improvements and surrounding property developments in the area.

Based on the site vacancy and the underutilization of the Study Area, Blight Factor: ... Substantial Underutilization or vacancy of sites, buildings, or other improvements is present.
Section 6: Property Conditions Assessment Summary and Conclusion

Within the entire Study Area, six of the 11 blight factors were identified as being present. The blight factors identified within the Study Area include:

- b. Predominance of defective or inadequate street layout
- c. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
- d. Unsanitary or unsafe conditions
- e. Deterioration of site or other improvements
- f. Unusual topography or inadequate public improvements or utilities.
- k.5. The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements.

As discussed in Section 2, in order for an area to meet the definition of blight, a certain number of the eleven blight factors identified in the Colorado Urban Renewal Law must be found within the Study Area. Four of the eleven factors is the required minimum, unless none of the property owners or tenants object to being included within an urban renewal area; then, the required minimum is only one of the eleven factors.

For this Conditions Assessment, six blight factors were identified within the Study Area, therefore a sufficient number of blight factors exist under Colorado Urban Renewal Law.

It is the conclusion of this Conditions Assessment Report that the Study Area, in its present condition, exhibits a sufficient level of blight to be considered a "blighted area."
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Section 7: Lakewood Strategic Growth Initiative

In July 2019, City of Lakewood voters approved a Strategic Growth Initiative that established a building permit management system limiting residential growth in the City to no greater than one percent annually. Properties with a designation of blight are exempt from the one percent rule, thereby encouraging redevelopment of blighted and distressed areas. As indicated in this assessment, this property qualifies as blighted and any structures located, or to be located upon this land would be considered exempt from the growth cap.

Although some parts of this area of Lakewood have seen improvement from new developments, several properties surrounding the Study Area were observed to have factors of blight including but not limited to: deteriorating structures, inadequate public improvements, vacancies, inadequate street layouts, and safety and welfare factors. Allowing the development of townhomes within the property boundary as proposed will increase the property values in the area and will hopefully encourage future development of blighted properties, as intended by the Lakewood Strategic Growth Initiative.

A side by side comparison of the current property conditions (left picture) and future townhome development (right picture)
DATE OF COUNCIL MEETING: JULY 27, 2020 / AGENDA ITEM NO. 7
AUGUST 10, 2020 / AGENDA ITEM NO. 12

To: Mayor and City Council

From: Holly Bjorklund, Chief Financial Officer, 303-987-7601

Subject: VACATION OF WEST YALE AVENUE RIGHT-OF-WAY, SOUTH OF RED ROCKS BUSINESS DRIVE

This ordinance was approved on 1st Reading by a vote of 11 ayes 0 nays.

SUMMARY STATEMENT: An ordinance vacating a portion of the West Yale Avenue right-of-way (ROW), south of Red Rocks Business Drive in the Rooney Valley.

BACKGROUND INFORMATION: The applicant, Cardel Rooney Valley Limited Partnership, is the owner of the parcel at 40-253-04-006 adjacent to the proposed vacation of right-of-way (ROW). This vacation of ROW is being requested in order to reconfigure the ROW of West Yale Avenue to construct a roundabout at the intersection of West Yale Avenue and Red Rocks Business Drive. There will also be additional ROW dedicated to the City in conjunction with this vacation request for the roundabout. This dedication of additional ROW will occur prior to recordation of the vacation ordinance.

West Yale Avenue in this location was dedicated to the City with the Red Rocks Business Park Filing No. 1 plat in 1983. The proposed roundabout is being designed and will be constructed as part of the development of the Cardel and CDN properties, to the south and north. Part of the proposal is to vacate 326 SF of the West Yale Avenue ROW, at the southwest corner of West Yale Avenue and Red Rocks Business Drive and to dedicate 848 SF of ROW in the same vicinity. This vacation and dedication of ROW will effectively reconfigure the ROW to accommodate the future roundabout. The adjacent property owned by Cardel is a portion of the property that is proposed to be dedicated to the Jefferson County R-1 School District as part of the surrounding development proposals. It is the applicant’s desire to address the reconfiguration of the ROW prior to deeding the property to Jefferson County R-1 School District. This vacation and dedication of ROW effectively allows for the proposed roundabout configuration and cleans up the ROW boundary. The vacated portion of ROW will be part of the land to be dedicated to Jefferson County R-1 School District with future development of the surrounding properties.

This vacation of ROW will not affect current access to adjacent properties.

In order to ensure that adequate ROW is obtained for the proposed roundabout, a condition has been added, requiring the additional ROW be dedicated prior to recordation of the vacation ordinance.

FINANCIAL IMPACTS: None
STAFF RECOMMENDATIONS: Approval

ALTERNATIVES: If this Ordinance is not approved, the proposed roundabout at West Yale Avenue and Red Rocks Business Drive will need to be modified to accommodate the existing ROW.

PUBLIC OUTREACH: This item was promoted through the regular communication channels for items that come before City Council for consideration.

NEXT STEPS:

ATTACHMENTS: Ordinance O-2020-19
Map
ROW Dedication Deed

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Timothy P. Cox, City Attorney
O-2020-19

AN ORDINANCE

VACATING A PORTION OF RIGHT-OF-WAY FOR WEST YALE AVENUE, SOUTHWEST CORNER OF RED ROCKS BUSINESS DRIVE AND WEST YALE AVENUE FURTHER LOCATED TO THE SOUTHEAST OF LOT 7, BLOCK 3 OF THE RED ROCKS BUSINESS PARK FILING NO. 1, AS DEPICTED IN EXHIBIT “A” TO THIS ORDINANCE

WHEREAS, the applicant has requested the vacation of a portion of West Yale Avenue to accommodate a roundabout; and

WHEREAS, additional right-of-way will be dedicated to the City of Lakewood for the proposed roundabout; and

WHEREAS, the owner of Block 3, Lot 7 of the RED ROCKS BUSINESS PARK FILING NO. 1 adjacent to said right of way agree to the vacation, and

WHEREAS, the City Council finds that the vacation of the aforesaid portions of Right-of-way is in the public interest; and

WHEREAS, the City Council finds that no land adjoining the above portions of right-of-way would be left without an established connection to a public road;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Lakewood, Colorado, that:

SECTION 1. Pursuant to Title 43, Article 2, Colorado Revised Statutes and City of Lakewood Case VA-19-002, and upon a finding that the described area is no longer necessary for use by the public and that no land would, by vacation, be left without a connection to an established public road, the land described in Exhibit “A” attached hereto and made a part hereof, be the same hereby vacated.

SECTION 2. This ordinance shall take effect upon recordation of the conveyance deed for dedication of additional right-of-way, but a minimum of thirty (30) days after final publication.

SECTION 3. After the effective date of this Ordinance and the recordation of the conveyance deed for dedication of additional right-of-way, the Lakewood City Clerk will record a certified copy of this Ordinance, including the attached Exhibit A, at the Jefferson County Clerk and Recorder’s office.

SECTION 4. This ordinance shall take effect a thirty (30) days after final publication.
I hereby attest and certify that the within and foregoing ordinance was introduced and read on first reading at a virtual regular meeting of the Lakewood City Council on the 27th day of July, 2020; published by title in the Denver Post and in full on the City of Lakewood's website, www.lakewood.org, on the 30th day of July, 2020; set for public hearing to be held on the 10th day of August, 2020; read, finally passed and adopted by the City Council on the _____ day of August, 2020; and signed by the Mayor on the _____ day of August, 2020.

________________________________________
Adam Paul, Mayor

ATTEST:

______________________________
Michele Millard, City Clerk

APPROVED AS TO FORM:

______________________________
Timothy P. Cox, City Attorney
EXHIBIT A

A PORTION OF WEST YALE AVENUE RIGHT-OF-WAY AS SHOWN AND DEDICATED ON THE PLAT OF RED ROCKS BUSINESS PARK FILING NO. 1 THE PLAT OF WHICH IS RECORDED IN PLAT BOOK 74, PAGES 11 THROUGH 13, AND AT RECEPTION NO. 83077584, OF THE RECORDS OF THE JEFFERSON COUNTY CLERK AND RECORDER, FURTHER LYING IN THE SOUTHWEST ONE-QUARTER OF SECTION 25, TOWNSHIP 4 SOUTH, RANGE 70 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LAKEWOOD, COUNTY OF JEFFERSON, STATE OF COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: ASSUMING THE SOUTH LINE OF THE SOUTHWEST ONE-QUARTER OF SECTION 25 BEING MONUMENTED BY A 3-1/4 INCH ALUMINUM CAP STAMPED PLS 22109 FLUSH IN CONCRETE AT THE SOUTHWEST CORNER OF SAID SECTION 25 AND A 2-1/2 INCH PIPE AND 3-1/4 INCH ALUMINUM CAP STAMPED PLS 19591 AT THE SOUTH ONE-QUARTER CORNER OF SECTION 25 TO BEAR NORTH 89°09’12” EAST, A DISTANCE OF 2702.57 FEET WITH ALL BEARINGS CONTAINED HERIN RELATIVE THERETO.

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 25; THENCE NORTH 89°09’12” EAST A DISTANCE OF 1129.64 FEET ON THE SOUTH LINE OF SAID SECTION 25 TO THE NORTHERLY RIGHT-OF-WAY OF SAID WEST YALE AVENUE AND THE POINT OF BEGINNING;

THENCE ON SAID WEST YALE AVENUE NORTHERLY RIGHT-OF-WAY LINE ON THE ARC OF A NON-TANGENT CURVE TO THE RIGHT 43.61 FEET, SAID CURVE HAVING A RADIUS OF 550.00 FEET, A DELTA OF 04°32’35” AND BEING SUBTENDED BY A CHORD BEARING NORTH 66°42’10” EAST A DISTANCE OF 43.60 FEET TO A CURVE;

THENCE ON THE ARC OF A NON-TANGENT CURVE TO THE LEFT 16.80 FEET, SAID CURVE HAVING A RADIUS OF 72.50 FEET, A DELTA OF 13°16’33” AND BEING SUBTENDED BY A CHORD BEARING SOUTH 05°46’08” WEST A DISTANCE OF 16.76 FEET TO A POINT OF NON-TANGENCY AND THE SOUTH LINE OF SAID SECTION 25;

THENCE SOUTH 89°09’12” WEST A DISTANCE OF 38.36 FEET TO THE POINT OF BEGINNING;

SAID PARCEL CONTAINS 326 SQUARE FEET OR 0.01 ACRES, MORE OR LESS.

SURVEYOR’S STATEMENT

I, AARON ALVIN DEMO, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY STATE THAT THIS LEGAL DESCRIPTION WAS PREPARED UNDER MY PERSONAL SUPERVISION AND CHECKING, AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, BELIEF, AND IN MY PROFESSIONAL OPINION, AND THAT IT IS NOT A MONUMENTED LAND SURVEY.

AARON ALVIN DEMO, PROFESSIONAL LAND SURVEYOR
COLORADO PLNO 38285
FOR AND ON BEHALF OF BASELINE ENGINEERING CORP.

BASELINE ENGINEERING CORP.
4007 SOUTH LINCOLN AVE, SUITE 405
LOVELAND, COLORADO 80537
(970) 353-7600
Red is 848 SF to be dedicated for ROW
Orange is 326 SF to be vacated for ROW
WARRANTY DEED TO
CITY OF LAKEWOOD

CARDEL ROONEY VALLEY LIMITED PARTNERSHIP, a Colorado limited partnership "Grantor", for the consideration of Ten and no\100 Dollars ($10.00), in hand paid, hereby sell(s) and convey(s) for public use and roadway purposes to the CITY OF LAKEWOOD, a Colorado home rule municipal corporation, whose address is 480 South Allison Parkway, Civic Center South, Lakewood, Colorado, 80226, the following real property, in the County of Jefferson, State of Colorado, to wit and shown on Exhibit A made a part hereof:

Legal Description:

with all its appurtenances, and warrant(s) the title to the same, subject to easements, rights of way and restrictions of record, if any.

CONVEYED FOR PUBLIC STREET PURPOSES
P.M. No: 25-4-70-165
ACCEPTED FOR CITY OF LAKEWOOD

By: ____________________________

Ord. No: O-83-108
Tax Schedule No: 300176899
Quarter Sec. No: 40-253
Signed this [insert day of month], 2020.

Grantor:

CARDEL ROONEY VALLEY LIMITED PARTNERSHIP
A Colorado limited partnership

By:  
Roderick Mickelberry, Authorized Signatory

STATE OF COLORADO  )
COUNTY OF [insert county]  )

The foregoing instrument was acknowledged before me this [insert day of month], 2020, by Roderick Mickelberry, as Authorized Signatory.

Witness my hand and seal.

My commission expires:

[SEAL]

DENISE KORTE  
Notary Public  
State of Colorado  
Notary ID # 20074018315  
My Commission Expires 05-08-2023
EXHIBIT A

LEGAL DESCRIPTION


BASIS OF BEARINGS: ASSUMING THE SOUTH LINE OF THE SOUTHWEST ONE-QUARTER OF SECTION 25 BEING MONUMENTED BY A 3-1/4 INCH ALUMINUM CAP STAMPED PLS 22109 FLUSH IN CONCRETE AT THE SOUTHWEST CORNER OF SAID SECTION 25 AND A 2-1/2 INCH PIPE AND 3-1/4 INCH ALUMINUM CAP STAMPED PLS 19591 AT THE SOUTH ONE-QUARTER CORNER OF SECTION 25 TO BEAR NORTH 89°09'12" EAST, A DISTANCE OF 2702.57 FEET WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO.

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 25;

THENCE NORTH 89°09'12" EAST A DISTANCE OF 1169.93 FEET ON THE SOUTH LINE OF SAID SECTION 25;

THENCE NORTH 00°50'48" WEST A DISTANCE OF 16.65 FEET TO THE NORTHERLY RIGHT-OF-WAY OF WEST YALE AVENUE AS SHOWN AND DEDICATED BY SAID RED ROCKS BUSINESS PARK FILING NO. 1 AND TO THE POINT OF BEGINNING;

THENCE ON THE ARC OF A NON-TANGENT CURVE TO THE RIGHT 20.83 FEET, SAID CURVE HAVING A RADIUS OF 72.50 FEET, A DELTA OF 16°27'53" AND BEING SUBTENDED BY A CHORD BEARING NORTH 20°38'21" EAST A DISTANCE OF 20.76 FEET TO A REVERSE CURVE;

THENCE ON THE ARC OF A TANGENT CURVE TO THE LEFT 49.39 FEET, SAID CURVE HAVING A RADIUS OF 110.00 FEET, A DELTA OF 25°43'29" AND BEING SUBTENDED BY A CHORD BEARING NORTH 16°00'33" EAST A DISTANCE OF 48.97 FEET TO A POINT OF NON-TANGENCY AND THE WESTERLY RIGHT-OF-WAY OF RED ROCKS BUSINESS DRIVE AS SHOWN AND DEDICATED BY SAID RED ROCKS BUSINESS PARK FILING NO. 1;

THENCE ON SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES;

1. SOUTH 13°51'09" EAST A DISTANCE OF 42.28 FEET;

2. THENCE ON THE ARC OF A TANGENT CURVE TO THE RIGHT 22.30 FEET, SAID CURVE HAVING A RADIUS OF 15.00 FEET, A DELTA OF 85°10'26" AND BEING SUBTENDED BY A CHORD BEARING SOUTH 28°44'04" WEST A DISTANCE OF 20.30 FEET TO A REVERSE CURVE AND THE NORTHERLY RIGHT-OF-WAY OF SAID WEST YALE AVENUE;
THENCE ON THE NORTHERLY RIGHT-OF-WAY LINE OF SAID WEST YALE DRIVE ON THE ARC OF A CURVE TO THE LEFT 22.53 FEET, SAID CURVE HAVING A RADIUS OF 550.00 FEET, A DELTA OF 02°20'49" AND BEING SUBTENDED BY A CHORD BEARING SOUTH 70°08'52" WEST A DISTANCE OF 22.53 FEET TO THE POINT OF BEGINNING;

SAID PARCEL CONTAINS 848 SQUARE FEET OR 0.02 ACRES, MORE OR LESS.

SURVEYOR'S STATEMENT

I, AARON ALVIN DEMO, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF COLORADO DO HEREBY STATE THAT THIS LEGAL DESCRIPTION WAS PREPARED UNDER MY PERSONAL SUPERVISION AND CHECKING, AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, BELIEF, AND IN MY PROFESSIONAL OPINION, AND THAT IT IS NOT A MONUMENTED LAND SURVEY.

AARON ALVIN DEMO, PROFESSIONAL LAND SURVEYOR
COLORADO PLS NO. 38285
FOR AND ON BEHALF OF BASELINE ENGINEERING CORP.

BASELINE ENGINEERING CORP.
4007 SOUTH LINCOLN AVE, SUITE 405
LOVELAND, COLORADO 80537
(970) 353-7600
DATE OF COUNCIL MEETING: JULY 27, 2020 / AGENDA ITEM NO. 8
AUGUST 10, 2020 / AGENDA ITEM NO. 13

To: Mayor and City Council
From: Travis Parker, Director of Planning, 303-987-7908
Subject: 3053 S. ROONEY RD. DISCONNECTION CASE DX-20-001

This ordinance was approved on 1st Reading by a vote of 11 ayes 0 nays.

SUMMARY STATEMENT: The applicant, John C. Bandimere, Jr. of Rooney Road, LLC is requesting the disconnection of 7.53-acres of land located at 3053 S. Rooney Rd. that is currently in the City of Lakewood municipal boundary. The land is comprised of three (3) parcels. The applicant desires to disconnect this parcel of land into Unincorporated Jefferson County in order to incorporate it into the adjacent Bandimere Speedway property that is located within Unincorporated Jefferson County.

BACKGROUND INFORMATION: Consideration of whether to disconnect property requires steps that are controlled by State Statutes. State Statutes require that notice of the disconnection be provided to the Board of County Commissioners and Special Districts. City Council is the acting body, which will require two readings before City Council.

The subject parcels of land were annexed by the City in the 1970’s and these parcels of land were then bisected from the City municipal boundary in the late 1980’s when C-470 was built. The proposed disconnection is and state statutes are further defined in the Disconnection Impact Report.

BUDGETARY IMPACTS: N/A

STAFF RECOMMENDATION: Staff recommends approval of the disconnection request so that the parcels of land may be disconnected into Unincorporated Jefferson County and incorporated as part of the overall Bandimere Speedway property. This property is under the same ownership as the property to the north, west and south all of which is in Unincorporated Jefferson County. The proposed disconnection satisfies the State Statutes.

ALTERNATIVES: The City Council may approve the ordinance to disconnect or deny the ordinance to disconnect. More specifically, City Council may approve the ordinance to disconnect if the proposed disconnection meets State Statutes, which will disconnect the property to Unincorporated Jefferson County or City Council may deny the ordinance to disconnect if it is found that it does not meet the State Statutes for requesting the disconnection, which will leave the property in the City of Lakewood.

PUBLIC OUTREACH: There is no public outreach required by the Zoning Ordinance. Notice of the disconnection was sent to the Board of County Commissioners and Special Districts as required per State Statutes.
NEXT STEPS: The 1st reading for City Council was held on July 27 and the public hearing for City Council is scheduled for August 10.

ATTACHMENTS:  Ordinance O-2020-20
                 Disconnection Impact Report
                 Map No. 1
                 Map No. 2

REVIEWED BY:   Kathleen E. Hodgson, City Manager
                Benjamin B. Goldstein, Deputy City Manager
                Timothy P. Cox, City Attorney
O-2020-20

AN ORDINANCE

DISCONNECTING CERTAIN PROPERTY ADDRESSED AS 3053 S. ROONEY RD. A PARCEL OF LAND, BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 4 SOUTH, RANGE 70 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO

WHEREAS, the owner of certain property addressed as 3053 South Rooney Road and located in a portion of the Southeast Quarter of Section 26, Township 4 South, Range 70 West of the 6th Principal Meridian, County of Jefferson, State of Colorado, as more particularly described in Exhibit A, attached hereto and incorporated herein (the “Property”), has applied to the City of Lakewood (the “City”) for disconnection of the Property from the City’s municipal boundaries;

WHEREAS, not having a disconnection process, the Lakewood City Council has chosen to adopt the process for disconnection set forth in Section 31-12-501, Colorado Revised Statutes;

WHEREAS, after notice provided pursuant to section 31-12-108(2), Colorado Revised Statutes, the City Council held a public hearing on the proposed disconnection;

WHEREAS, the City Council finds that no terms or conditions shall be imposed on the disconnection;

WHEREAS, the City Council further finds and determines that it is in the best interests of the City to disconnect the Property into Jefferson County;

WHEREAS, approval of this ordinance on first reading is intended only to confirm that the City Council desires to comply with the Lakewood Municipal Code by setting a public hearing to provide City staff and the public an opportunity to present evidence and testimony regarding the proposal; and

WHEREAS, approval of this ordinance on first reading does not constitute a representation that the City Council, or any member of the City Council, supports, approves, rejects or denies the proposal.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Lakewood, Colorado, that:

SECTION 1. The City hereby adopts the disconnection process set forth in Section 31-12-501, Colorado Revised Statutes.

SECTION 2. The Property is hereby disconnected from, and is no longer a part of, the City of Lakewood, Colorado. The Property is hereby made a part of the County of Jefferson, Colorado.
SECTION 3. The City Clerk is hereby authorized and directed to perform all statutory duties required to complete the disconnection.

SECTION 4. Disconnection of the Property shall be complete and effective on the “Effective Date” set forth in Section 5 below.

SECTION 5. This Ordinance shall take effect thirty (30) days after final publication, subject to compliance with the filing requirements of Section 31-12-501(4), Colorado Revised Statutes (the “Effective Date”).

SECTION 6. After the effective date of this Ordinance, the Lakewood City Clerk will record a certified copy of this Ordinance, including the attached Exhibit A, at the Jefferson County Clerk and Recorder’s office.

SECTION 7. If any provision of this Ordinance should be found by a court of competent jurisdiction to be invalid, such invalidity shall not affect the remaining portions or applications of this Ordinance that can be given effect without the invalid portion, provided that such remaining portions or application of this Ordinance are not determined by the court to be inoperable.

I hereby attest and certify that the within and foregoing ordinance was introduced and read on first reading at a virtual regular meeting of the Lakewood City Council on the 27th day of July, 2020; published by title in the Denver Post and in full on the City of Lakewood’s website, www.lakewood.org, on the 30th day of July, 2020; set for public hearing to be held on the 10th day of August, 2020; read, finally passed and adopted by the City Council on the _____ day of August, 2020; and signed by the Mayor on the _____ day of August, 2020.

Adam Paul, Mayor

ATTEST:

Michele Millard, City Clerk

APPROVED AS TO FORM:

Timothy P. Cox, City Attorney
DISCONNECTION IMPACT REPORT
for the
3053 S. Rooney Rd. Disconnection
DX-20-001

CITY OF LAKEWOOD LAND PROPOSED TO BE DISCONNECTED TO UNINCORPORATED JEFFERSON COUNTY, COLORADO, LOCATED IN SECTION 26, TOWNSHIP 4 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO

City of Lakewood
Planning Department
470 South Allison Parkway
Lakewood, Colorado 80226-3127
303-987-7500

March 11, 2020
1. INTRODUCTION

This Disconnection Impact Report is being prepared for the use of the Lakewood City Council during the consideration of an ordinance to disconnect a portion of the property at 3053 S. Rooney Rd.

Rooney Road, LLC is the property owner of the parcels of land that are approximately 7.53-acres in size. The request is to disconnect this portion of land into Unincorporated Jefferson County in order to incorporate the property at 3053 S. Rooney Rd. within one jurisdiction, Unincorporated Jefferson County. The disconnection area is generally bounded by Unincorporated Jefferson County to the north, west and south and the City of Lakewood and C-470 to the east.

2. C.R.S. REQUIREMENTS

The requirements and provisions of Section 31-12-501 of the Colorado Revised Statutes is listed in bold text. Information about the requirement for the Property follows in plain text.

Section 31-12-501, Application from the owner of a tract of land within and adjacent to the boundary of a municipality providing the desire to have said tract disconnected from such municipality, such owner may apply to the governing body of such municipality for the enactment of an ordinance disconnecting such tract of land from such municipality. The owner shall also provide notice and a copy of the application to the county board of commissioners and any affected special district.

(I) The owner of the properties at Parcel Identification Number 5940-264-00-001, 40-264-00-004 and 40-264-00-008 has filed an application with the City of Lakewood requesting disconnection of a portion of this property that is within the City of Lakewood municipal boundary. The subject properties are addressed 3053 S. Rooney Rd.

(II) Please refer to the attached Map No. 1, entitled 3053 S. Rooney Rd. Disconnection. This map depicts present and proposed boundaries of the municipality in the vicinity of the proposed disconnection.

(III) Notice along with a copy of the disconnection application were provided to the Jefferson County Board of Commissioners and any affected Special Districts, see Section 31-12-108.5 (1) (e) below. Failure by either the Jefferson County Board of Commissioners or the board of any special district to request a meeting constitutes an acknowledgment by the particular board that the disconnection will not adversely affect the county or an affected special district, as applicable. No request for a meeting from any entity was made to discuss any negative impacts on the county or any special district.

(IV) On receipt of such application, the governing body of the municipality shall give due consideration to the disconnection application, and, if such governing body is of the opinion that the best interests of the municipality will not be prejudiced by the disconnection of such tract, it shall enact an ordinance effecting such disconnection, see background information below.

(V) If such an ordinance is enacted, it is immediately effective upon the required filing with the Jefferson County Clerk and Recorder to accomplish the disconnection, and two certified
copies thereof shall be filed by the clerk in the office of the county clerk and recorder of the county in which such tract lies. The county clerk and recorder shall file the second certified copy with the division of local government in the department of local affairs, as provided by Section 24-32-109, C.R.S.

The following is background information on the subject property and disconnection application:

Streets and utilities

Streets, access, water lines, sanitation lines and utility lines will be reviewed with any future development. There are no known concerns with utilities for this property that will hinder the future development of property within the City of Lakewood if this property is disconnected. No adverse comments were received from any referral agencies.

The existing and proposed land use pattern in the areas to be disconnected.

Please refer to Map No. 2, which shows the existing and proposed land uses in the vicinity of the proposed disconnection.

Water and Sanitary Services

These parcels of land do not have water and sanitation service from a district or municipality. Sewage for the current speedway use is stored on-site and hauled off-site with portable toilets primarily used during events. Water is brought in for events and there is a well on the speedway site. Water and Sanitation services will need to be determined with any future development.

Police and Law Enforcement

Lakewood currently provides police and law enforcement services to the property. With the disconnection law enforcement services will be provided by Jefferson County.

Park and Recreation Services

These parcels of land are not within a park and recreation district.

Transportation Services

If the property is developed in the future, road improvements will be required per Unincorporated Jefferson County requirements for the property.

Drainage, Grading and Erosion Control, and Stormwater Quality Plans

If development is proposed in the future then all necessary grading, erosion control and drainage facilities will be installed with development or redevelopment of the areas to be disconnected in accordance with Unincorporated Jefferson County regulations.
Fire Protection

The City of Lakewood and Unincorporated Jefferson County do not provide fire protection services. The West Metro Fire Protection District currently services the site and has indicated that the property is within the District and that West Metro Fire Protection District will continue to service the area proposed to be disconnected.

Existing special districts within the area to be disconnected.

The following is a list of existing districts within the area proposed to be disconnected:

- Jefferson County School District R-1
- Mile High Flood District
- Regional Transportation District
- West Metro Fire Protection District
- Law Enforcement Authority
- Mount Carbon Metropolitan District

Jefferson County R-1 School District

The property is currently vacant. Currently the surrounding property is used for a speedway. There are no anticipated impacts of the disconnection on the Jefferson County R-1 School District. Any future development of the parcel of land will need to meet Jefferson County R-1 School District requirements whether within the City of Lakewood or Unincorporated Jefferson County.
Map No. 1 – 3053 S. Rooney Rd. Disconnection

- Parcel A
- Parcel B
- Parcel C

Unincorporated Jefferson

Bandimere Speedway

City of Lakewood
Map No. 2 – Land Uses

General area of disconnection west of C-470
STAFF MEMO

DATE OF COUNCIL MEETING: JULY 27, 2020 / AGENDA ITEM NO. 9
AUGUST 10, 2020 / AGENDA ITEM NO. 14

To: Mayor and City Council

From: Holly Bjorklund, Chief Financial Officer, 303-987-7601

Subject: CONVEYANCE OF SEWER EASEMENT TO WEST ALAMEDA HEIGHTS SANITATION SERVICE, INC.

This ordinance was approved on 1st Reading by a vote of 11 ayes 0 nays.

SUMMARY STATEMENT: An ordinance conveying a Sewer Easement to West Alameda Heights Sanitation Service, Inc. for an existing sanitary sewer line across Cottage Park.

BACKGROUND INFORMATION: The Meadowlark Cottages Property (Property), located at the corner of W Bayaud Avenue and S Cody Street, was acquired by the Jefferson County School District in 1959. Shortly thereafter, two “cottage school” buildings were constructed, along with the sewer line in question.

The City of Lakewood acquired the 0.69-acre Property (Lots 1 and 2 of Block 9, West Alameda Heights Subdivision) in 2000. Jefferson County Open Space assisted with the acquisition and retained a reversionary interest to ensure that the Property continues to be used for parks and open space purposes.

The City has used the Property for a variety of uses over the years. Today, the Department of Community Resources is planning to make the site into a small neighborhood park to be named Cottage Park. The park will preserve the existing mature evergreens and will include a playground, walking paths and a small picnic shelter. The cottage school buildings were removed from the site last year and a Site Plan for the proposed park, along with a plat to combine the Property into a single lot have been prepared. As part of this process, a new survey was performed and thus discovered the sewer line and manhole. These have been in place for the past 60 years (long before the City took ownership of the Property) without the existence of an easement.

This proposed ordinance would formalize a 25’ wide easement for the existing facilities, which are still required to service properties to the north and south. The sewer line is owned and maintained by West Alameda Heights Sanitation, Inc., a private service provider. Typically, for new easements on property acquired through the Jefferson County Open Space program, a processing fee and compensation for the value of the easement would be required. However, these will be waived since the sewer line was in existence prior to the City or County being in ownership. The proposed easement will only cover the area where the facilities currently exist.

FINANCIAL IMPACTS: None

STAFF RECOMMENDATIONS: Approval

ALTERNATIVES: If this Ordinance is not approved, a prescriptive easement would still be in place, based upon the historical existence of the sewer line, but there would be no written documentation.
PUBLIC OUTREACH: This item was promoted through the regular communication channels for items that come before City Council for consideration.

NEXT STEPS: Record the easement upon Ordinance effective date

ATTACHMENTS: Ordinance O-2020-21
Map

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Timothy P. Cox, City Attorney
AN ORDINANCE

FOR THE CONVEYANCE OF A SEWER LINE EASEMENT TO WEST ALAMEDA HEIGHTS SANITATION SERVICE, INC. ACROSS A PORTION OF COTTAGE PARK

WHEREAS, the City of Lakewood owns Lots 1 and 2, Block 9, WEST ALAMEDA HEIGHTS, more commonly known as Meadowlark Cottages and renamed to Cottage Park; and

WHEREAS, West Alameda Heights Sanitation Service, Inc. (“West Alameda”) has a sewer line main that has existed on said property since approximately 1960, long before Lakewood’s ownership; and

WHEREAS, West Alameda has requested a formal easement to cover their existing facilities;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Lakewood, Colorado, that:

SECTION 1. That the City hereby conveys a sewer line easement to West Alameda (as more particularly described in Exhibit A hereto).

SECTION 2. This ordinance shall take effect thirty (30) days after final publication.

SECTION 3. The Lakewood City Clerk will record the easement agreement approved by this ordinance at the Jefferson County Clerk and Recorders office.

I hereby attest and certify that the within and foregoing ordinance was introduced and read on first reading at a virtual regular meeting of the Lakewood City Council on the 27th day of July, 2020; published by title in the Denver Post and in full on the City of Lakewood's website, www.lakewood.org, on the 30th day of July, 2020; set for public hearing to be held on the 10th day of August, 2020; read, finally passed and adopted by the City Council on the ______ day of August, 2020; and signed by the Mayor on the ______ day of August, 2020.

______________________________
Adam Paul, Mayor

ATTEST:

______________________________
Michele Millard, City Clerk

APPROVED AS TO FORM:

______________________________
Timothy P. Cox, City Attorney
EXHIBIT A

A PARCEL OF LAND BEING THE EAST 25 FEET OF LOTS 1 AND 2, BLOCK 9, WEST ALAMEDA HEIGHTS, THE PLAT OF WHICH IS RECORDED IN PLAT BOOK 7, PAGE 44 AND AT RECEPTION NO. 47413864, OF THE RECORDS OF THE JEFFERSON COUNTY CLERK AND RECORDER, EXCEPT THE NORTH 103 FEET OF SAID LOT 1, LYING IN THE SOUTHEAST ONE-QUARTER OF SECTION 10, TOWNSHIP 4 SOUTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF LAKEWOOD, COUNTY OF JEFFERSON, STATE OF COLORADO, SAID PARCEL CONTAINING AN AREA OF 2,919 SQUARE FEET, MORE OR LESS.

THIS LEGAL DESCRIPTION WAS WRITTEN BY SPENCER CURTIS, RIGHT OF WAY AGENT FOR THE CITY OF LAKEWOOD ON JUNE 16, 2020 AND WAS BASED ON THE WEST ALAMEDA HEIGHT PLAT.
EXHIBIT A
(Continued)

THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED LAND SURVEY. IT IS ONLY TO DEPICT THE ATTACHED DESCRIPTION.

WHEREAS, on January 31, 2020, the United States Department of Public Health and Human Services Secretary declared a public emergency for the novel coronavirus (COVID-19) beginning on January 27, 2020; and

WHEREAS, on March 10, 2020, Colorado Governor Jared Polis declared a State of Disaster Emergency as the number of identified COVID-19 cases in Colorado increased, and announced numerous emergency measures to protect public health and safety; and

WHEREAS, the Jefferson County Department of Public Health has informed the City of Lakewood that the number of confirmed cases of COVID-19 in Jefferson County continues to increase; and

WHEREAS, the cost and magnitude of responding to and recovery from the impact of the COVID-19 Pandemic may be far in excess of the City’s available resources; and

WHEREAS, declaration of a local disaster emergency will assist and permit access to local emergency funds and Federal and State assistance, and will allow adjustments to policies, procedures, and ordinances to ensure the public’s health and welfare; and

WHEREAS, it is appropriate and in the interests of the public health and safety of the City and its residents to rapidly address community spread of COVID-19 and subsequent cascading impacts, such as economic distress, and to further protect the health and safety of the public by declaring a state of disaster in the City of Lakewood; and

WHEREAS, the situation is sufficiently serious that it has become necessary for the City Manager to declare a state of disaster within the City of Lakewood pursuant to Chapter 1.27 of the Lakewood Municipal Code, and to exercise the City Manager's emergency powers set forth therein; and

WHEREAS, I have reviewed the situation, consulted with City of Lakewood Department Directors and the Jefferson County Director of Public Health, and verified the existence of the state of disaster cited below, and the necessity for me to take immediate, extraordinary action as outlined in this Proclamation.

NOW, THEREFORE, I, KATHLEEN E. HODGSON, AS CITY MANAGER OF THE CITY OF LAKewood, COLORADO, DO PROCLAIM AND ORDER AS FOLLOWS:
SECTION 1. DECLARATION OF STATE OF DISASTER

A. Based on my review of the present circumstances and my consultations with City of Lakewood Department Directors, the Jefferson County Director of Public Health and the Director of the Colorado Department of Public Health and Environment, I have determined that a state of disaster exists requiring and authorizing me to exercise any or all of the emergency powers vested in me as City Manager by Lakewood Municipal Code Chapter 1.27 as described in this Proclamation. The issuance and execution of this Proclamation declaring a state of disaster shall automatically empower me as the City Manager to exercise any and all of the disaster and emergency powers and shall activate all relevant portions of the Emergency Plan and Management System. Nothing in this Proclamation shall be construed to limit or reduce the authority or powers available to the City Manager pursuant to Chapter 1.27, and all provisions of Chapter 1.27 shall remain in full force and effect regardless of whether those provisions are referenced herein.

B. I will be exercising the authority provided in Chapter 1.27 through the mechanisms identified therein, including through the promulgation of such regulations as I deem necessary to protect life and property and preserve critical resources, through the issuance of emergency orders, proclamations and other enactments and through the use and direction of City personnel, services and equipment and such additional acts necessary for the management of the state of disaster.

C. Pursuant to Lakewood Municipal Code section 1.27.071, it is unlawful for any person to violate or to knowingly fail to obey any order or regulation made or issued pursuant to that Chapter. Penalties for violations of any order or regulation promulgated by the City Manager or for violations of any provision of Chapter 1.27 shall be as set forth in Section 1.27.120 of the Lakewood Municipal Code.

SECTION 2. DISTRIBUTION OF DECLARATION OF STATE OF DISASTER

Once issued, this Proclamation shall be properly published and disseminated to the public and filed with the City Clerk and the City Council. A copy of this Proclamation shall be forwarded to the Colorado Division of Emergency Management and the Department of Local Affairs.

SECTION 3. DURATION OF DECLARATION OF STATE OF DISASTER.

Pursuant to LMC Section 1.27.060(D), the state of disaster declared by this Proclamation shall remain in effect until the City Manager declares by Proclamation that the threat of danger has passed or that the disaster conditions no longer exist, suggesting that the City Manager has the authority to declare a state of disaster of indefinite duration. However, Section 1.27.060(D) further provides that a declaration of a state of disaster cannot extend beyond seven days, unless a majority of the City Council approves a longer duration. Inasmuch as the COVID-19 disaster will obviously extend well beyond seven days, the City Manager intends to ask the City Council to vote, at its next meeting, to declare the state of disaster to continue indefinitely. In making the ultimate determination as to whether the danger has passed or the disaster conditions no longer exist, the City Manager may consider such factors as whether the state of Colorado’s declaration of disaster has been terminated.

SIGNED THIS 17th DAY OF March

BY:

[Signature]

Kathleen E. Hodgson, City Manager
City of Lakewood, Colorado

ATTEST:

[Signature]

Michele Millard, City Clerk
City of Lakewood, Colorado