AGENDA
REGULAR MEETING OF THE CITY COUNCIL
CITY OF LAKEWOOD, COLORADO
VIRTUAL MEETING
AUGUST 24, 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:  (945 2934 3876)
   (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 2020-27 – APPOINTING AND REAPPOINTING MEMBERS
TO THE BOARD OF APPEALS
ITEM 7 – RESOLUTION 2020-28 – APPOINTING AND REAPPOINTING MEMBERS TO THE JUDICIAL REVIEW COMMISSION

ITEM 8 – RESOLUTION 2020-29 – REAPPOINTING A MEMBER TO THE VICTIM ASSISTANCE COMPENSATION BOARD

ITEM 9 – RESOLUTION 2020-30 – APPOINTING MEMBERS TO THE LAKEWOOD ADVISORY COMMISSION


ITEM 11 – ORDINANCE O-2020-25 – AUTHORIZING AN ADDENDUM TO DEVELOPMENT AGREEMENT FOR SOLTERRA CENTRE OFFICIAL DEVELOPMENT PLAN

ITEM 12 – APPROVING MINUTES OF CITY COUNCIL MEETINGS

City Council Meeting June 8, 2020
City Council Special Meeting June 1, 2020

END OF CONSENT AGENDA

ITEM 13 – CITIZEN-INITIATED ORDINANCE – AN ORDINANCE ADOPTING REGULATIONS GOVERNING THE OPERATION OF RETAIL MARIJUANA STORES AND RETAIL MARIJUANA CULTIVATION FACILITIES IN THE CITY OF LAKEWOOD AND MAKING CORRESPONDING AMENDMENTS TO CERTAIN SECTIONS OF LAKEWOOD MUNICIPAL CODE, CHAPTER 5.51 CONCERNING MEDICAL MARIJUANA BUSINESSES

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ITEM 14 – RESOLUTION 2020-31 – CALLING A SPECIAL MUNICIPAL ELECTION FOR NOVEMBER 3, 2020, TO SUBMIT TO A VOTE OF THE REGISTERED ELECTORS OF THE CITY OF LAKEWOOD A CITIZEN-INITIATED ORDINANCE REGARDING RETAIL MARIJUANA BUSINESSES

ITEM 15 – RESOLUTION 2020-32 – APPROVING PARTICIPATION BY THE CITY OF LAKEWOOD IN A COORDINATED ELECTION TO BE CONDUCTED ON NOVEMBER 3, 2020, BY THE JEFFERSON COUNTY CLERK AND RECORDER
RESOLUTIONS

ITEM 16 – RESOLUTION 2020-33 – AUTHORIZING A SECOND ROUND OF FUNDING FOR THE COVID-19 IMPACT GRANT PROGRAM IN THE AMOUNT OF $375,000


ORDINANCES ON SECOND READING AND PUBLIC HEARINGS

ITEM 18 – ORDINANCE O-2020-22 – 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

ITEM 19 – 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

ITEM 20 – 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 SEPTEMBER 28, 2020, UNLESS EARLIER EXTENDED OR TERMINATED BY THE CITY COUNCIL

CITY COUNCIL AGENDA ITEM REQUEST FOR CONSIDERATION #1
CITY COUNCIL AGENDA ITEM REQUEST FOR CONSIDERATION #2
CITY COUNCIL AGENDA ITEM REQUEST FOR CONSIDERATION #3
CITY COUNCIL AGENDA ITEM REQUEST FOR CONSIDERATION #4

ITEM 21 – MAYOR AND CITY COUNCIL REPORTS

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

ITEM 22 – ADJOURNMENT
DATE OF COUNCIL MEETING: AUGUST 24, 2020 / AGENDA ITEM NO. 6

To: Mayor and City Council

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

Subject: APPOINTING AND REAPPOINTING MEMBERS TO THE BOARD OF APPEALS

SUMMARY STATEMENT: Resolution reappointing one member and appointing two members to the Board of Appeals to serve three-year terms.

BACKGROUND INFORMATION: The Screening Committee held interviews on March 10, 2020 and July 21, 2020 and wish to recommend the appointment of the below individuals to the Board of Appeals.

Adoption of this resolution will officially reappoint William Furman to the Board of Appeals, to serve a three-year term which began on April 1, 2020 and will end on March 31, 2023.

Adoption of this resolution will officially appoint Alejandro Barba and Jennifer Salisbury to the Board of Appeals, to serve three-year terms which began on April 1, 2020 and will end on March 31, 2023.

FINANCIAL IMPACTS: None

STAFF RECOMMENDATIONS: Approval

ALTERNATIVES: None

PUBLIC OUTREACH: None

NEXT STEPS: Upon approval of the Resolution by City Council – the members will begin serving their term with the Board of Appeals.

ATTACHMENTS: Resolution 2020-27

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

APPOINTING AND REAPPOINTING MEMBERS TO THE BOARD OF APPEALS

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

SECTION 1. The following individual is hereby reappointed to the Board of Appeals to serve a three-year term that began on April 1, 2020 and will end on March 31, 2023:

William Furman, a Lakewood resident

SECTION 2. The following individuals are hereby appointed to the Board of Appeals, each to serve separate three-year terms that began on April 1, 2020 and will end on March 31, 2023:

Alessandro Barba, a Lakewood resident
Jennifer Salisbury, a Lakewood resident

INTRODUCED, READ AND ADOPTED by a vote of ___ for and ___ against at a virtual regular meeting of the Lakewood City Council held on August 24, 2020, at 7 o’clock p.m.

__________________________
Adam Paul, Mayor

ATTEST:

__________________________
Michele Millard, City Clerk

APPROVED AS TO FORM:

__________________________
Timothy P. Cox, City Attorney
STAFF MEMO

DATE OF COUNCIL MEETING: AUGUST 24, 2020 / AGENDA ITEM NO. 7

To: Mayor and City Council

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

Subject: APPOINTING AND REAPPOINTING MEMBERS TO THE JUDICIAL REVIEW COMMISSION

SUMMARY STATEMENT: Resolution reappointing one member and appointing two members to the Judicial Review Commission to serve four-year terms.

BACKGROUND INFORMATION: The Screening Committee held interviews on August 5, 2020 and wish to recommend the appointment of the below individuals to the Judicial Review Commission.

Adoption of this resolution will officially reappoint Michelle Tovrea to the Judicial Review 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 Sarah Fields and Anthony Starke Jr. to the Judicial Review Commission, to serve four-year terms 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 members will begin serving their term with the Judicial Review Commission.

ATTACHMENTS: Resolution 2020-28

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Timothy P. Cox, City Attorney
A RESOLUTION
APPOINTING AND REAPPOINTING MEMBERS TO THE JUDICIAL REVIEW COMMISSION

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

SECTION 1. The following individual is hereby reappointed to the Judicial Review Commission, to serve a four-year term that began on April 1, 2020 and will end on March 31, 2024:

Michelle Tovrea, a Lakewood resident

SECTION 2. The following individuals are hereby appointed to the Judicial Review Commission, to serve separate four-year terms that began on April 1, 2020 and will end on March 31, 2024:

Sarah Fields, a Lakewood resident
Anthony Starke Jr., a Lakewood resident

INTRODUCED, READ AND ADOPTED by a vote of ___ for and ___ against at a virtual regular meeting of the Lakewood City Council held on August 24, 2020, at 7 o'clock p.m.

__________________________________________

Adam Paul, Mayor

ATTEST:

__________________________________________

Michele Millard, City Clerk

APPROVED AS TO FORM:

__________________________________________

Timothy P. Cox, City Attorney
STAFF MEMO

DATE OF COUNCIL MEETING: AUGUST 24, 2020 / AGENDA ITEM NO. 8

To: Mayor and City Council

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

Subject: REAPPOINTING A MEMBER TO THE VICTIM ASSISTANCE COMPENSATION BOARD

SUMMARY STATEMENT: Resolution reappointing a member to the Victim Assistance Compensation Board to serve four-year terms.

BACKGROUND INFORMATION: The Screening Committee held interviews on August 5, 2020 and wish to recommend the reappointment of the below individual to the Victim Assistance Compensation Board.

Adoption of this resolution will officially reappoint Courtney Hill to the Victim Assistance Compensation Board, to serve a three-year term which began on October 1, 2019 and will end on September 30, 2022.

FINANCIAL IMPACTS: None

STAFF RECOMMENDATIONS: Approval

ALTERNATIVES: None

PUBLIC OUTREACH: None

NEXT STEPS: Upon approval of the Resolution by City Council – the members will begin serving their term with the Victim Assistance Compensation Board.

ATTACHMENTS: Resolution 2020-29

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

REAPPOINTING A MEMBER TO THE VICTIM ASSISTANCE COMPENSATION BOARD

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

SECTION 1. The following individual is hereby reappointed to the Victim Assistance Compensation Board to serve a three-year term that began on October 1, 2019 and will end on September 30, 2022:

Courtney Hill, a Lakewood resident

INTRODUCED, READ AND ADOPTED by a vote of ___ for and ___ against at a virtual regular meeting of the Lakewood City Council held on August 24, 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 24, 2020 / AGENDA ITEM NO. 9

To: Mayor and City Council

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

Subject: APPOINTING MEMBERS TO THE LAKEWOOD ADVISORY COMMISSION

SUMMARY STATEMENT: Resolution appointing three members to the Lakewood Advisory Commission to serve three-year terms.

BACKGROUND INFORMATION: The Screening Committee held interviews on August 5, 2020 and wish to recommend the appointment of the below individuals to the Lakewood Advisory Commission.

Adoption of this resolution will officially appoint Karen Morgan, Carina Weadock, and Glenn Weadock to the Lakewood Advisory Commission, to serve three-year terms which began on January 1, 2020 and will end on December 31, 2022.

FINANCIAL IMPACTS: None

STAFF RECOMMENDATIONS: Approval

ALTERNATIVES: None

PUBLIC OUTREACH: None

NEXT STEPS: Upon approval of the Resolution by City Council – the members will begin serving their term with the Lakewood Advisory Commission.

ATTACHMENTS: Resolution 2020-30

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Timothy P. Cox, City Attorney
2020-30

A RESOLUTION

APPOINTING MEMBERS TO THE LAKEWOOD ADVISORY COMMISSION

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

SECTION 1. The following residents are hereby appointed to the Lakewood Advisory Commission to serve three-year terms that began on January 1, 2020 and will end on December 31, 2022:

Karen Morgan, a Lakewood resident
Carina Weadock, a Lakewood resident
Glenn Weadock, a Lakewood resident

INTRODUCED, READ AND ADOPTED by a vote of ___ for and ___ against at a virtual regular meeting of the Lakewood City Council held on August 24, 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 24, 2020 / AGENDA ITEM NO. 10

To: Mayor and City Council

From: Daniel McCasky, Police Chief, 303-987-7102

Subject: AN ORDINANCE TO ACCEPT GRANT FUNDING FOR A LAW ENFORCEMENT ASSISTED DIVERSION PILOT PROGRAM

SUMMARY STATEMENT: On July 16, 2020, the Colorado Department of Public Health and Environment approved the City’s grant contract in the amount of $366,486 to fully fund the City of Lakewood’s Law Enforcement Assisted Diversion Pilot program. Per City Charter, City Council can make supplemental appropriations to the annual budget by ordinance. This memo requests City Council adopt the attached ordinance authorizing a supplemental appropriation in the amount of $366,486 for the grant contract.

BACKGROUND INFORMATION: The Lakewood Police Department and Jefferson County Public Health have been vital partners over the years. Collaborative successes include developing one of the first law enforcement naloxone programs in the county which has resulted in 39 lives saved in Lakewood including three youth.

Looking to further leverage this successful partnership, leaders from both groups came together to discuss how Lakewood could better address illicit drug use and associated crime in the community. Both parties agreed to explore the possibility of implementing a Law Enforcement Assisted Diversion program. Law Enforcement Assisted Diversion, or (“LEAD”), is a proven program that diverts individuals to a community based, harm-reduction intervention for law violations driven by the individual’s unmet behavioral health needs. Three of LEAD’s primary goals are: Reducing the number of people entering the criminal justice system for low level offenses, addressing racial disparities at the front end of the criminal justice system, and strengthening the relationship between law enforcement and the community.

The parties researched the possibility of piloting a LEAD program. All agreed it was possible but there was a significant financial commitment associated with it. The program would require the hiring of personnel and substantial equipment costs. Grant opportunities were researched and reviewed.
On March 20, 2020, the City of Lakewood, in partnership with Jefferson County Public Health, and Intervention, submitted a grant funding request to the Colorado Department of Public Health and Environment.

On July 16, 2020, the Colorado Department of Public Health and Environment approved the City’s grant contract in the amount of $366,486 to fully fund the City of Lakewood’s Law Enforcement Assisted Diversion Pilot program for one year.

**BUDGETARY IMPACTS:** Adopting this ordinance would authorize a supplemental appropriation to the 2020 annual budget in the amount of $366,486 to fully fund the City of Lakewood’s Law Enforcement Assisted Diversion Pilot program for one year.

**STAFF RECOMMENDATIONS:** Staff recommends that the City of Lakewood adopt the proposed ordinance.

**ALTERNATIVES:** If City Council chooses not to adopt the proposed ordinance, the City will not be able to utilize the awarded grant dollars and the pilot program will be discontinued.

**PUBLIC OUTREACH:** This item has been promoted through the regular channels for items coming before City Council.

**ATTACHMENTS:** Ordinance O-2020-24

**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 CITY OF LAKEWOOD ANNUAL BUDGET IN THE AMOUNT OF $366,486 AND AUTHORIZING THE EXPENDITURE OF GRANT FUNDS FROM THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT TO ASSIST THE CITY OF LAKEWOOD IN PILOTING A LAW ENFORCEMENT ASSISTED DIVERSION PROGRAM THROUGH THE LAKEWOOD POLICE DEPARTMENT IN PARTNERSHIP WITH JEFFERSON COUNTY PUBLIC HEALTH AND THE COMMUNITY CONNECTIONS CENTER

WHEREAS, Article XII, Section 8, of the City 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, on July 16, 2020, the Colorado Department of Public Health and Environment approved the City’s grant contract in the amount of $366,486;

WHEREAS, on March 20, 2020, the City of Lakewood, in partnership with Jefferson County Public Health and Intervention, submitted a grant funding request to the Colorado Department of Public Health for a Lakewood Police Pre-Arrest Diversion Pilot Program intended to reduce crime and disorder and reduce drug user’s involvement in the criminal justice system;

WHEREAS, no additional money is being requested for this grant;

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. In accordance with Section 12.8 of the Lakewood Home Rule Charter, there is hereby appropriated in the Grant Fund $366,486 for the purpose of fully funding the City of Lakewood Law Enforcement Assisted Diversion Program.

SECTION 2. In accordance with Lakewood Municipal Code section 3.04.090, the City Council hereby approves the unbudgeted expenditure of not more than $366,486 for all purchases and programs related to the City of Lakewood Law Enforcement Assisted Diversion Program, subject to the applicable provisions of Lakewood Municipal Code Chapter 3.04.
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 24th 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 27th day of August, 2020; set for public hearing to be held on the 28th day of September, 2020; read, finally passed and adopted by the City Council on the _____ day of September, 2020; and signed by the Mayor on the _____ day of September, 2020.

________________________________________________________________________

Adam Paul, Mayor

ATTEST:

________________________________________________________________________

Michele Millard, City Clerk

APPROVED AS TO FORM:

________________________________________________________________________

Timothy P. Cox, City Attorney
SUMMARY STATEMENT: In 2009, Lakewood City Council approved a development agreement in conjunction with the Solterra Centre Official Development Plan. The rights under the approved agreement conflict with the recently approved Residential Growth Limitation. Staff has requested the property owner to submit an addendum to the development agreement that acknowledges and accommodates the Residential Growth Limitation. The attached addendum would do the following:

1. Remove development of units on this property from discretionary approval under the ordinance since this was achieved in 2009.
2. Require the developer to notify the City in November of each year how many units they intend to build in the following year.
3. Allow the City to account for those units, without limiting the number, in any way appropriate.

Staff recommends approval of the addendum in order to meet the intent of the Residential Growth Limitation in compliance with previously approved development rights.

BACKGROUND INFORMATION: In 2009, Lakewood City Council approved a development agreement in conjunction with the Solterra Centre Official Development Plan. This document vested the right to construct housing in accordance with the ODP for a period of 25 years. The City committed in that agreement not to take any action that would “alter, impair, prevent, diminish, impose a moratorium on development, or otherwise delay the development or use of the property” without the consent of the owners.

Application of the requirements of recently approved Article 14.27 regarding Residential Growth Limitation would conflict with the terms of this agreement. First, any discretionary review would not only cause a delay in development but, if denied, would directly contradict the previous approval. Secondly, putting development of this property through the standard application process could likely result in inadequate allocations on any given year and denial of some permits. The result would be at minimum a delay and possibly the inability to develop in the approved manner.

Staff has worked with the applicant to find a way to meet the intent of the ordinance in limiting overall city development of housing while honoring the terms of the agreement made in 2009. The attached addendum would add a new requirement for the developer to annually notify the City of the number of units intended to be constructed in the coming year. The City Council could then use this information to account for the number of
units in the annual allocation creation and assignment. The City would then honor the development approval by not requiring an additional Council review of the project and would not limit the construction of the homes through the unavailability of allocations.

BUDGETARY IMPACTS: None

STAFF RECOMMENDATIONS: Staff recommends approval of the proposed addendum to the development agreement. The proposal meets the spirit of both the Residential Growth Limitations and the existing development agreement

ALTERNATIVES: City Council can approve or deny the proposed addendum. Council could also request the applicant to make further changes to the addendum.

PUBLIC OUTREACH: This meeting has been advertised through the normal channels.

ATTACHMENTS: Ordinance O-2020-25
Request Letter from Brian Connolly
Approved 2009 Development Agreement
Proposed First Addendum to Development Agreement

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Timothy P. Cox, City Attorney
O-2020-25

AN ORDINANCE

AUTHORIZING AN ADDENDUM TO DEVELOPMENT AGREEMENT FOR SOLTERRA CENTRE OFFICIAL DEVELOPMENT PLAN

WHEREAS, CDN Red Rocks, a Colorado limited partnership (the “Owner”) owns certain property known as Solterra Centre, consisting of 169.4 acres located within Lakewood, Colorado;

WHEREAS, the Owner has approval from the City of Lakewood (the “City”) to develop Solterra Centre under a Site Specific Development Plan known as the Solterra Centre Official Development Plan (the “ODP”);

WHEREAS, in 2009, the City and the Owner entered into a binding development agreement vesting the development rights of the ODP for 25 years (the “Development Agreement”);

WHEREAS, in 2019, the City adopted Chapter 14.27 of the Lakewood Municipal Code limiting future residential growth;

WHEREAS, the Owner and the City desire to ensure that Solterra Centre continues to be built according to the approved ODP and meets the intent of Chapter 14.27;

WHEREAS, the Owner and the City wish to enter into the attached Addendum to Development Agreement for Solterra Centre Official Development Plan Regarding Vested Rights (the “Addendum”) to ensure Solterra Centre is developed as originally approved;

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. The Addendum is hereby approved.

SECTION 2. The City Manager and City Clerk are hereby authorized and directed to execute and attest, respectively, the Addendum on behalf of the City.

SECTION 3. The fully executed Addendum shall be recorded by the City in the property records of the Clerk and Recorder of Jefferson County, Colorado.
SECTION 4. This Ordinance shall take effect 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 24th 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 27th day of August, 2020; set for public hearing to be held on the 28th day of September, 2020; read, finally passed and adopted by the City Council on the _____ day of September, 2020; and signed by the Mayor on the _____ day of September, 2020.

__________________________________________
Adam Paul, Mayor

ATTEST:

__________________________________________
Michele Millard, City Clerk

APPROVED AS TO FORM:

__________________________________________
Timothy P. Cox, City Attorney
May 20, 2020

VIA E-MAIL – TRAPAR@LAKewood.ORG

Travis Parker
City of Lakewood
Planning Department
480 South Allison Parkway
Lakewood, CO  80226-3127

Re: Request for Amendment of Development Agreement

Dear Travis:

As you are aware, our firm represents CDN Red Rocks, L.P. (“CDN”), owner of certain real property (the “Property”) located along South McIntyre Street and within the plat of Red Rocks Business Park in the City of Lakewood (the “City”). The Property is the subject of that certain Development Agreement for Solterra Centre Official Development Plan Regarding Vested Rights, recorded December 11, 2009 in the real property records of Jefferson County at Reception No. 2009124458 (the “Development Agreement,” a copy of which is attached here), which confers vested property rights upon the CDN Property for the development of a mix of commercial and residential uses. We are submitting this letter, along with the attached draft First Amendment to Development Agreement for Solterra Centre Official Development Plan Regarding Vested Rights (the “Proposed Amendment”), and respectfully request that you forward the same to the City Council for review and approval. Below, I offer some general, relevant background on vested property rights, the Development Agreement, and these concepts’ relationship to the City’s recently-enacted, voter-approved “Residential Growth Limitation” ordinance, codified as Chapter 14.27 of the Lakewood Municipal Code. I also explain our request for the Proposed Amendment.

Background

Vested Property Rights. In the absence of vested property rights, a local government is generally free to unilaterally amend or modify zoning and other land use entitlements applicable to a given parcel of land. In such a circumstance, the only limitations on the government’s ability to do so include constitutional limitations such as the Takings Clause of the Fifth Amendment and the Due Process and Equal Protection clauses of the Fourteenth Amendment.

Vested property rights generally provide heightened protection against government interference with land use entitlements. The vested rights doctrine establishes if and when a landowner will be subject to new regulations
applicable to the landowner’s property and the extent to which a landowner might be entitled to a remedy in the event the government interferes with the vested rights. In 1988, the Colorado legislature adopted a vested rights statute, C.R.S. § 24-68-101 et seq. (the “Vested Rights Act”). The Vested Rights Act confers vested property rights for up to three years upon a local government-approved “site specific development plan.” A site specific development plan can be any land use approval identified in a local code or as designated pursuant to a development agreement. With a development agreement, a local government can confer extended vesting beyond the statutory three-year period. There are many reasons that a local government may choose to confer vested rights, including: (1) the desire to induce development on a long-vacant parcel or in response to an economic recession; and (2) as a “fair trade” with a developer that constructs or provides public utilities or services over and above those which might otherwise be required by law.

The vested rights conferred by the Vested Rights Act are not a blanket ban on government action that limits the underlying site specific development plan. Section 105 of the Vested Rights Act identifies three conditions under which regulations may be modified in a manner that would “alter, impair, prevent, diminish, impose a moratorium on development, or otherwise delay the development or use of . . . property as set forth in a site specific development”: (1) if the affected landowner consents to the government action; (2) if hazards are discovered on or in the vicinity of the property posing a serious threat to the public health, safety, and general welfare; or (3) if the landowner receives “just compensation for all costs, expenses, and liabilities incurred by the landowner after approval by the governmental entity.” Such costs, expenses, and liabilities may include “costs incurred in preparing the site for development consistent with the site specific development plan, all fees paid in consideration of financing, and all architectural, planning, marketing, legal, and other consultants’ fees, together with interest thereon at the legal rate until paid.”

The Development Agreement. In 2009, the City Council approved the Solterra Centre Official Development Plan (the “ODP”), encumbering the CDN Property. The ODP contemplates the development of the CDN Property with a mix of land uses, including retail, office, and residential. With respect to residential development, the ODP permits the development of up to 1,630 dwelling units. The City Council subsequently approved the Development Agreement pursuant to the Vested Rights Act and designated the ODP as a “Site Specific Development Plan,” thus conferring upon CDN the right to develop and use the CDN Property in the manner described in the ODP.

Section 3 of the Development Agreement contains language substantially identical to the language of Section 105(1) of the Vested Rights Act, providing that “[a]ny zoning or land use action by the City or pursuant to an initiated measure which would alter, impair, prevent, diminish, impose a moratorium on development or otherwise delay the development or use of the Property as set forth in the Site Specific Development” is prohibited except in certain, limited circumstances. The Development Agreement goes on to provide CDN with a remedy of specific performance or, in the alternative, money damages for all costs incurred in furtherance of development after the approval of the Development Agreement.

Relationship to Residential Growth Limitation. In 2019, City voters approved the Residential Growth Limitation, now codified at Chapter 14.27 of the City’s Municipal Code. In order for a residential project to receive building permits under that provision, the project must obtain a number of allocations from the City equal to the number of proposed residential units. These allocations are made from a pool of allocations set
by the City Council each year, which is generally equal to one percent of the total number of housing units in the City in the prior year. Furthermore, any project containing more than 40 units is required to obtain special City Council approval in order to receive allocations.

Application of the allocation process and other provisions of Chapter 14.27 would, at the very least, “delay” if not “impair, prevent, diminish, [or] impose a moratorium” on the development of the Property. To date, the mere existence of the Residential Growth Limitation ordinance has put CDN’s development plans at risk, as potential homebuilders are unwilling to move forward with their plans, given the uncertainty surrounding the project’s ability to actually receive allocations. Since obtaining approval of the ODP, CDN has spent in excess of $6,000,000 preparing the Property for residential development. The passage of Chapter 14.27 puts this investment at risk. In the event that CDN were placed in the unenviable position of filing an action to enforce the terms of the Development Agreement, it would very clearly be entitled to either: (1) a court order requiring the City to adhere to the terms of the Development Agreement notwithstanding Chapter 14.27; or (2) recovery of some or all of its $6,000,000 investment in preparing the Property for residential development. CDN—and we suspect the City as well—views this type of litigation as a suboptimal approach to resolving the inconsistencies between CDN’s vested rights secured under the Development Agreement and the City’s Residential Growth Limitation.

Request

To resolve the foregoing inconsistencies between CDN’s previously conferred vested rights and the Residential Growth Limitation, CDN has worked at the request of City staff to prepare the attached Proposed Amendment. As drafted, the Proposed Amendment would do the following:

- Amend the Development Agreement to acknowledge the existence of the Residential Growth Limitation.

- Require the owner(s) of the Property to submit, on or before November 1 of each year, a written notice setting forth the number of building permits that the owner(s) expect to seek in the following year.

- Obligate the City to determine, at the time of the Property owner’s submittal of the foregoing notice, whether to provide allocations to the Property owner from the subsequent year’s allocation pool, “borrow” allocations from other years’ worth of allocations, or otherwise determine how to issue the building permits identified in the notice.

- Ensure that the approval of more than 40 building permits per year for the Property would occur on a nondiscretionary basis.

The Proposed Amendment carries several mutual benefits for CDN and the City. Most significantly, the Proposed Amendment balances the Residential Growth Limitation with CDN’s vested rights, allowing the City a means to adhere to the citizen-adopted Residential Growth Limitation while ensuring that CDN retains the benefit of its vested rights. Additionally, the Proposed Amendment provides certainty to both CDN and the City regarding the process through which allocations will be conferred upon future residential development of the Property, avoiding needless argument regarding the relationship between vested rights and the Residential Growth Limitation.
Growth Limitation. Finally, because the Proposed Amendment is specific to the Property, it does not change or modify the Residential Growth Limitation as it applies to any other parcels in the City. Any owner of other property subject to vested rights will not benefit from the Proposed Amendment, and would be required to separately seek an amendment or other approval to address any conflict between that owner’s vested rights and the Residential Growth Limitation.

We look forward to working with you on the foregoing request. We respectfully request that the Proposed Amendment be expeditiously processed for review by the City Council in accordance with Section 104(2) of the Vested Rights Act, and that the City approve the Proposed Amendment. Please note that in the event the City Council does not approve the Proposed Amendment, nothing in this letter is intended to constitute a waiver or limitation of any claim that CDN may have, now or in the future, for any breach of the rights conferred pursuant to the Development Agreement, in the event the City Council does not approve the Proposed Amendment.

Very truly yours,

Brian J. Connolly
For the Firm

BJC/abm
Attachments

cc: Tim Cox, City Attorney
DEVELOPMENT AGREEMENT
FOR SOLTERRA CENTRE OFFICIAL DEVELOPMENT PLAN
REGARDING VESTED RIGHTS

THIS DEVELOPMENT AGREEMENT (this "Agreement"), is made as of DECEMBER 10, 2009 (the "Effective Date"), by and between CDN RED ROCKS, L.P., a Colorado limited partnership, and TEEFAM COLORADO LAND COMPANY, L.P., a California limited partnership, and Jerry H. Crispe (collectively, the "Owners"), and the CITY OF LAKEWOOD, COLORADO, a municipal corporation of the State of Colorado (the "City").

Recitals

A. Owners own real property consisting of approximately 169.4 acres, located within the City, as described on Schedule 1 attached hereto (the "Property").

B. On JULY 13, 2009, the City approved a Site Specific Development Plan for the Property, known as the Solterra Centre Official Development Plan ("ODP").

C. The Site Specific Development Plans ordinance found in Article 18 of Title 17 of the City's Municipal Code (the "Vested Rights Ordinance"), and the Vested Property Rights Statute found in Sections 24-68-101, et seq. of the Colorado Revised Statutes in effect as of the Effective Date (the "Vested Rights Statute"), provide for the establishment of vested property rights in order to advance the purposes stated therein, and authorize the City to enter into development agreements with landowners providing for the vesting of property development rights for a period of greater than three (3) years.

D. It is the desire of the Parties to cause the development rights of the Property created under the ODP to vest as more particularly set forth herein.

NOW, THEREFORE, considering the foregoing recitals and in consideration of the mutual promises and covenants hereinafter set forth, the Owners and the City agree as follows:

Agreement

1. Vested Rights. The ODP constitutes an approved "Site Specific Development Plan" (as defined in the Vested Rights Ordinance and the Vested Rights Statute) and creates vested property rights to develop the Property in the manner contemplated by the Site Specific Development Plan. Subsequent approvals in connection with the development contemplated by the Site Specific Development Plan, if and when properly approved in due course by the City, shall likewise be vested for the balance of the Term (as defined below).

2. Term. The term of the statutory vested rights shall be twenty-five (25) years, commencing on the effective date of ordinance O-2009-30 approving this Agreement (the "Term"). In accordance with Section 17-18-7 of the Vested Rights Ordinance, the Term is
warranted in light of all relevant circumstances, including, but not limited to, the size and phasing of the commercial development, economic factors and market conditions.

3. Remedies; Referendum.

Any zoning or land use action by the City or pursuant to an initiated measure which would alter, impair, prevent, diminish, impose a moratorium on development or otherwise delay the development or use of the Property as set forth in the Site Specific Development Plan, except (i) with the consent of the Owners; or (ii) upon the discovery of natural or man-man hazards on or in the immediate vicinity of the Property, which hazards could not reasonably have been discovered at the time of the ODP approval, and which hazards, if uncorrected, would pose a serious threat to the public health, safety and welfare; shall entitle Owners to an action for injunction or specific performance and/or monetary damages for those items set forth in any action that deprives, revokes, diminishes or impairs the vested rights provided herein shall entitle Owners to an action for injunction or specific performance and/or monetary damages as set forth in C.R.S. 24-68-105; provided, however, that Owners agree to first pursue specific performance, and if granted, shall have no right to pursue damages; and only if a court denies specific performance shall Owners be entitled to pursue damages. Adoption of this Agreement is subject to referendum pursuant to the Vested Rights Statute. In the event such a referendum is filed and succeeds in overturning City Council’s approval of Ordinance O-2009-30, the vested rights created under this Agreement shall be null and void, provided, however, that none of the development rights for the Property or approvals granted to owners under the ODP shall be affected thereby.

4. Counterparts; Electronic Delivery. This Agreement may be executed in counterparts, all such counterparts will constitute the same agreement and the signature of any party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by telex or e-mail and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

CITY OF LAKEWOOD

Kathleen E. Hodgson,
City Manager

ATTEST:
Margy Greer, City Clerk

Kathleen E. Hodgson,
DEVELOPMENT AGREEMENT
FOR SOLTERRA CENTRE OFFICIAL DEVELOPMENT PLAN
REGARDING VESTED RIGHTS

RECOMMENDED AND APPROVED:

Jay N. Hutchison, Director
Department of Planning and Public Works

Kit Botkins, Director
Department of Community Resources

Anne Heine, City Engineer
Department of Public Works

APPROVED AS TO FORM:

Timothy P. Cox,
Office of the City Attorney
DEVELOPMENT AGREEMENT
FOR SOLterra CENTRE OFFICIAL DEVELOPMENT PLAN
REGARDING VESTED RIGHTS

CDN RED ROCKS, L.P., a Colorado
limited partnership

By: CDN Canada Development Inc., its
general partner

By: [Signature]
Name: DAVID MINDELL
Title: PRESIDENT, GENERAL PARTNER

Arapahoe )
Colorado ) ss.

The foregoing instrument, was acknowledged before me this 11th day of
September, 2009, by DAVID MINDELL, as President, GP
of CDN Canada Development Inc., general partner of CDN Red Rocks, L.P., a Colorado limited
partnership.

Witness my hand and official seal.

My commission expires: 06-14-11

[Signature]
Notary Public

[Signatures continued on following page]
TEEFAM COLORADO LAND COMPANY, L.P., a California limited partnership

By: Ross J. Turner, General Partner

STATE OF Colorado )
COUNTY OF Arapahoe ) ss.

The foregoing instrument was acknowledged before me this 11th day of September, 2009, by Ross J. Turner, as general partner of TEEFAM COLORADO LAND COMPANY, L.P., a California limited partnership.

Witness my hand and official seal.

My commission expires: 6-14-11

Notary Public

[Signatures continued on following page]
DEVELOPMENT AGREEMENT
FOR SOLTERRA CENTRE OFFICIAL DEVELOPMENT PLAN
REGARDING VESTED RIGHTS

Jerry H. Crispe

By: Jerry H. Crispe, owner

Name: Jerry H. Crispe
Title: 

[Signature]

COLORADO  )
Arapahoe  )ss.

The foregoing instrument was acknowledged before me this 8th day of July, 2009, by Jerry H. Crispe, as ________________ as owner.

Witness: Notary Public

My commission expires 4/30/2010

Carole Dodero
Notary Public

[Signatures continued on following page]
SCHEDULE 1

(Legal description of the Property)

Property:

A parcel of land lying in the West One-Half (W½) of Section 25 and the East One-Half (E½) of Section 26, Township 4 South, Range 70 West of the 6th Principal, City of Lakewood, County of Jefferson, State of Colorado, being more particularly described as follows:

Said parcel being all of that land described in RED ROCKS BUSINESS PARK OFFICIAL DEVELOPMENT PLAN, the plat of which is recorded in ODP Book 29, Page 36, at Reception No. 82050855, of the records of the Jefferson County Clerk and Recorder; EXCEPT Lots 4, 5, 6, and 7, Block 3, RED ROCKS BUSINESS PARK FILING NO. 1, the plat of which is recorded in Plat Book 74, Pages 12, 13, and 14, at Reception No. 83077584, of said records;

TOGETHER WITH all those vacated rights-of-way as shown and platted on SPRINGFIELD DOWNS FILING NO. 1, the plat of which is recorded in Plat Book 61, Pages 50 & 51, at Reception No. 80004356, of said records, and being vacated by Ordinance O-82-173, recorded at Reception No. 83055117 of said records;

TOGETHER WITH all of that land described in LAKEWOOD WEST OFFICIAL DEVELOPMENT PLAN, the plat of which is recorded in ODP Book 33, Page 11, at Reception No. 83074563, of said records, EXCEPT AREA A of said LAKEWOOD WEST OFFICIAL DEVELOPMENT PLAN;

TOGETHER WITH a parcel of land lying in said W½; Beginning at the Southwest corner of said W½, said corner being in common with a platted corner of said RED ROCKS BUSINESS PARK OFFICIAL DEVELOPMENT PLAN; thence N 89°21'39" E along the South line of said W½, a distance of 532.00 feet, more or less, to a platted corner of said RED ROCKS BUSINESS PARK OFFICIAL DEVELOPMENT PLAN; thence N 00°21'45" W along a westerly line of said RED ROCKS BUSINESS PARK OFFICIAL DEVELOPMENT PLAN, a distance of 400.00 feet; thence S 89°21'39" W along a southerly line of said RED ROCKS BUSINESS PARK OFFICIAL DEVELOPMENT PLAN, a distance of 532.00 feet; thence S 00°21'45" E along a easterly line of said RED ROCKS BUSINESS PARK OFFICIAL DEVELOPMENT PLAN, a distance of 400.00 feet, more or less, to the Point of Beginning, said parcel containing an area of 4.9 acres, more or less;

Said parcel containing an area of 169.4 acres, more or less.
ADDENDUM TO
DEVELOPMENT AGREEMENT
FOR SOLTERRA CENTRE OFFICIAL DEVELOPMENT PLAN
REGARDING VESTED RIGHTS

This ADDENDUM TO DEVELOPMENT AGREEMENT FOR SOLTERRA CENTRE OFFICIAL DEVELOPMENT PLAN REGARDING VESTED RIGHTS (this “Addendum”) is entered into by and between CDN RED ROCKS, L.P., a Colorado limited partnership (“Owner”), and the CITY OF LAKEWOOD, a Colorado home rule municipal corporation (the “City”), effective as of the latest date set forth in the signature blocks below (the “Effective Date”).

RECITALS

A. The City and Owner entered into that certain Development Agreement for Solterra Centre Official Development Plan Regarding Vested Rights, recorded December 11, 2009, in the real property records of Jefferson County, Colorado, at Reception No. 2009124458 (the “Development Agreement”), which encumbers the certain real property described therein (the “Property”) and establishes vested property rights for a period of twenty-five (25) years from the date thereof.

B. Section 3 of the Development Agreement sets forth the terms and conditions upon which the vested property rights of the Owner may be divested, whether pursuant to City action or initiated measure.

C. On July 12, 2019, pursuant to initiated measure, an ordinance, known as the “Strategic Growth Initiative” (the “Initiated Measure”) and codified at Chapter 14.27 of the Lakewood Municipal Code, became effective, which intends to limit growth in the number of housing units in the City through an annual building permit allocation process.

D. In order to clarify the relationship between the Development Agreement and the Initiated Measure, the Owner and the City now desire to enter into this Addendum.

ADDENDUM

NOW, THEREFORE, in consideration of the Recitals, the Development Agreement and the mutual agreements set forth herein, the sufficiency of which is hereby acknowledged, the City and Owner hereby agree as follows:

1. Defined Terms. All capitalized terms used but not defined in this Addendum will have the meanings set forth for such terms in the Development Agreement. All terms that are defined in this Addendum and used in any provisions added to the Development Agreement pursuant to this Addendum have the meanings set forth for such terms in this Addendum.

2. Addendum. The Development Agreement is hereby supplemented by the following:
(a) **No Limit on Permit Issuance.** Notwithstanding any provision contained in the Initiated Measure, the City acknowledges and agrees that the Initiated Measure will not in any way operate as a limitation on the issuance of any permits for any development within the Property.

(b) **No Discretionary Process.** Under no circumstance will any permits be subjected to any discretionary process of the City, including but not limited to the process set forth in Lakewood Municipal Code Section 14.27.040(B). Without limiting the generality of the foregoing, the City reaffirms the right of Owner, in its sole discretion, to request and receive permits at such time(s) as market conditions allow, and the City further acknowledges and agrees that, so long as Owner or other applicant has complied with all City zoning or building code requirements for the issuance of the same, the City shall issue such permits in the normal course of business, without delay.

(c) **Required Notice.** On or before November 1 of each calendar year, Owner shall submit to the City a written notice setting forth the number of residential units for which Owner intends to seek building permits in the subsequent calendar year. Such number shall be thenceforth deemed a limitation on the total number of building permits Owner will seek in such subsequent year. In the event Owner fails to submit such written notice, Owner’s application for building permits will be subject to the City’s standard allocation process pursuant to Chapter 14.27 of the Lakewood Municipal Code. As of the date of this Addendum, Owner anticipates that it will require approximately 150 building permits per year, commencing in 2022; however, such figure is an estimate and intended for illustrative purposes only.

(d) **City Issuance of Building Permits.** The City shall determine, in its sole discretion, at the time of Owner’s application for building permit(s) and following the City’s receipt of the notice set forth in Section A.2(c) above, whether such building permits will: (1) be debited from the annual pool of allocations established pursuant to Lakewood Municipal Code Section 14.27.050 for the year in which Owner intends to construct the subject residential units; (2) be debited from one or more pools of allocations for building permits established for years subsequent to the year in which Owner intends to construct the subject residential units; or (3) be issued, in the year for which such permits are requested, pursuant to such other means as may be determined by the City at the time of submittal of such application. Under no circumstance will the City’s determination that insufficient allocations are available to issue such permits bar the issuance of such permits upon request.

3. **Ratification.** Except as addressed in this Addendum, the Development Agreement is affirmed and ratified in each and every particular. In the event of any inconsistency or conflict between this Addendum and the Development Agreement, the provisions of this Addendum shall control.

4. **Electronic Disposition; Counterparts.** The parties acknowledge and agree that the original of this Addendum, including the signature page, may be scanned and stored in a computer database or similar device, and that any printout or other output readable by sight, the reproduction of which is shown to accurately reproduce the original of this Addendum, may be used for any purpose as if it were the original, including proof of the content of the original
writing. This Addendum may be executed in any number of counterparts, each of which shall be
deemed to be an original and all such counterparts taken together shall be deemed to constitute
one and the same instrument.

5. Authority. The parties represent and warrant that they have taken all actions
necessary to legally authorize the undersigned signatories to execute this Addendum on behalf of
the parties and to bind the parties to its terms.

[Remainder of page intentionally blank – signatures follow]
IN WITNESS WHEREOF, the parties have executed this Addendum as of the Effective Date.

CITY OF LAKEWOOD

Kathleen E. Hodgson, City Manager

ATTEST:

Michele Millard, City Clerk

Attestation Date

Approved as to form:

Timothy P. Cox, City Attorney

Recommended and approved as to content:

Travis Parker, Director
Planning Department

Jay N. Hutchison, Director
Department of Public Works
CDN RED ROCKS, L.P., a Colorado limited partnership

By: __________________________
Name: _________________________
Title: _________________________

STATE OF COLORADO  )
CITY AND ) ss.
COUNTY OF DENVER  )

The foregoing instrument was acknowledged before me this ___ day of __________, 20__, by ______________________, as __________________________ of CDN Red Rocks, L.P., a Colorado limited partnership.

Witness my hand and official seal.
My commission expires: ______________________

_________________________
Notary Public

_________________________
Address
Minutes are not a verbatim transcription, but rather an attempt to capture the intent of the speaker by the City Clerk.

ITEM 1 – CALL TO ORDER

Mayor Paul called the VIRTUAL MEETING to order at 7:00 p.m.

ITEM 2 – ROLL CALL

Those present were: Mayor Adam Paul, Presiding

Charley Able
Sharon Vincent
Dana Gutwein
Mike Bieda
David Skilling
Anita Springsteen
Barb Franks
Ramey Johnson
Karen Harrison

Absent: Jacob LaBure

Others in attendance: Kathy Hodgson, City Manager, Ben Goldstein, Deputy City Manager, and Tim Cox, City Attorney

Full and timely notice of this City Council meeting had been given and a quorum was present.

ITEM 3 – PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited, and there was a moment for silent prayer.

Mayor Paul – He spoke about the continuance for an emergency and wanted to move that to the beginning of the meeting so they could have it in place for the entire meeting. He also talked about Items 10 and 11 and said after talking to Council and community members, he proposed that the items be moved until July 27, 2020 but to also include a study session on July 6, 2020 to review the redlined version that was presented by the community.
Council member Skilling – He stated a little over three weeks ago there was a redline to the redline version that was put together by a resident group. He facilitated that redline version to Council where it was under review now. He believed the study session was necessary for Council to review the different redline versions and to review legislation. He stated there has been a lot of discussion regarding 5G and it has been the topic of conversation at Ward meetings.

Council member Johnson – She suggested that, before the meeting, staff meet with community members to go over their concerns. She believed that would help narrow it down so there were not so many redlined versions.

Mayor Paul – He stated they have been encouraging community members to send their concerns to staff to review.

Council member Springsteen – She asked if they were going to have in-person meeting and public comment because there has been concerns about them not meeting the Sunshine Act. She wanted a presentation prior to the legislative discussion at the study session since this was a complicated issue. She was concerned that they have only had industry input for the ordinance and not citizen input.

Mayor Paul – He stated they were building off a document that, to his understanding, was submitted by community members.

Tim Cox, City Attorney – He stated he did not currently have any specific case law regarding the Sunshine Act. He reminded Council that they were still under an emergency and the regulations that are in the Code are designed for this purpose. He believed they were adhering to the Sunshine Act.

Mayor Paul – He stated there was consensus to move forward with the study session on the legislation built off the redlined version and other comments that have come in for July 6, 2020.

The City Clerk read Items 10 and 11 into the record.

**ITEM 10 – CONTINUED ORDINANCE O-2020-1 – AMENDING LAKEWOOD MUNICIPAL CODE TITLE 12, AND ARTICLE 10 OF TITLE 17, TO REFLECT CHANGES IN STATE AND FEDERAL LAW RELATING TO WIRELESS SERVICES AND COMMUNICATIONS**

**ITEM 11 – CONTINUED RESOLUTION 2020-9 – ESTABLISHING CERTAIN FEES FOR PLACEMENT OF WIRELESS CARRIER OR SMALL CELL FACILITIES WITHIN CITY OF LAKEWOOD PUBLIC WAY**
Council member Skilling made a motion to move the continuance of Item 10 Ordinance 2020-1 to July 27, 2020. It was seconded.

Vote on Ordinance O-2020-1:

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TOTAL 10 0

The motion passed.

Council member Skilling made a motion to move the continuance of Item 11 Resolution 2020-9 to July 27, 2020. It was seconded.

Vote on Resolution O-2020-9:

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TOTAL 10 0

The motion passed.

Mayor Paul – He spoke about the continuation of the Emergency Declaration and that this was a two-week check-in for Council. The request was to continue the Emergency Declaration for two more weeks.

Council member Able – He asked Ms. Hodgson if she could give Council an update on the cost associated with COVID-19 so far and what was being paid for.

Kathy Hodgson, City Manager – She stated yes. She said they would have an overview on the COVID-19 expenses this evening from Holly Bjorklund, Chief Financial Officer.
Council member Skilling made a motion to extend the Emergency Declaration of Disaster in the City of Lakewood, Colorado resulting for 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 extend it again until June 22, 2020, unless earlier extended or terminated by the City Council. It was seconded.

Vote on motion to extend Emergency Declaration:

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The motion passed.

**ITEM 4 – RESOLUTION 2020-21 – APPOINTING LAURA KROEGER TO THE METRO WASTEWATER RECLAMATION DISTRICT BOARD OF DIRECTORS**

**Mayor Paul** – He welcomed Laura and stated she was a Lakewood resident who worked for the Flood District, formerly called the Urban Drainage and Flood Control District.

Council member Skilling made a motion for the adoption of Resolution 2020-21. It was seconded.

Vote the motion:

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The motion passed.
ITEM 5 – PUBLIC COMMENT

Joan Poston – Lakewood resident – She spoke on the resolution to extend the emergency order. She did not believe that there was an emergency anymore and was disappointed that Council voted to extend it. She highly recommended that Council votes no when this comes up for a vote again in two weeks.

Rick Ash – Lakewood resident – He spoke about a situation in which Council member Springsteen was a witness to. He commended Council member Springsteen on her active role in the community prior to being on Council and while she has been on Council. He called out community members who have spoken out again Council member Springsteen and stated she will make a statement when the time was right for her.

Stephen Buckley – Ward 3 – He stated his gratitude for public comment during the virtual meetings and he believed it was easier than having to drive down to City Hall. He spoke about the incident involving Council member Springsteen’s recent misbehavior. He believed that she needed to make a detailed statement about what happened, and the denials given to the police.

Brenda Bronson – Ward 4 – She read an email that was sent to Council members on May 31, 2020. The letter was regarding the recent events that involved Council member Springsteen and requested that she resign from Council for lying to the Lakewood Police and hold a special election to replace her seat on Council. She read Council member Springsteen’s boyfriend’s criminal record report.

Francis – Ward 1 – He thanked Council and the Mayor for approving the delay of Items 10 and 11.

Shanna Guy – Ward 1 – She inquired why Council was not looking further into the incident involving Council member Springsteen. She stated during these trying times, she encourages Council to police each other and to hold each other accountable for their actions.

Koren Kringen – Lakewood resident – She stated she was a neighbor to the memory care facility. She did not believe that Council member Springsteen lied to the police. She said the memory care facility has been a nuisance in the neighborhood for multiple years. She did not believe that the Lakewood Police have told the entire story.

Mayor Paul – He addressed questions and concerns regarding the emergency order and the memory care situation. He stated they needed to come together as a community, do better, and to be better neighbors to one another.
ITEM 6 – EXECUTIVE REPORT

Kathy Hodgson, City Manager, gave her Executive Report:

- She stated yesterday, June 7th, the County issued variances that they had received from the Colorado Department of Public Health and Environment. She stated the following requests were approved but with additional requirements: maintain the six-foot social distancing, limit to 50 percent of posted occupancy code ensuring a minimum of 28 square feet per person, not to exceed more than 50 people in any given time in a confined indoor space and 125 people in any outdoor setting. She stated different places and activities that these applied to. The Colorado Mills Mall would be opening tomorrow.
- She has received questions from Council members and community members as to when meetings will go back to in-person in the Council Chambers. She said they are working on that while being in full accordance with the state’s order.
- She talked about the Police Department and their programs and commendations. She asked Police Chief, Dan McCasky to speak.

Dan McCasky, Police Chief – He read a statement on behalf of the Lakewood Police Department addressing the recent events in Minneapolis and what steps the Police Department has and will be taking. He said the statement will be sent out to the public shortly.

- She stated staff will be conducting a grassroots outreach program in different communities in the city to gather citizen input about their safety, the community’s safety, and what they want to tell the Police Department. There will be a study session scheduled on Lakewood policing, where they can go over community policing and Lakewood’s practices, and also to report what was learned from the different populations that make up the Lakewood community.

CONSENT AGENDA
ORDINANCES ON FIRST READING

City Clerk Michele Millard read the Consent Agenda into the record. The Consent Agenda consists of Item 7, inclusive.

ITEM 7 – ORDINANCE O-2020-18 – AUTHORIZING A SUPPLEMENTAL APPROPRIATION TO THE 2020 CITY OF LAKEWOOD ANNUAL BUDGET IN THE AMOUNT OF $269,697 IN CORONAVIRUS EMERGENCY SUPPLEMENTAL FUNDING PROGRAM FUNDS FROM THE BUREAU OF JUSTICE ASSISTANCE AND AUTHORIZING THE EXPENDITURE THEREOF

Public Comment: None.
A motion was made by Council member Skilling, to order all ordinances introduced on first reading to be published into the Denver Post Newspaper for public hearing set for dates included in the ordinances, all of which are included in the Consent Agenda items, for the record and introduced by the City Clerk.

Vote on Consent Agenda:

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The motion passed.

END OF CONSENT AGENDA

EMERGENCY ORDINANCE

ITEM 8 – ORDINANCE O-2020-17 – AUTHORIZING A SUPPLEMENTAL APPROPRIATION TO THE 2020 CITY OF LAKEWOOD ANNUAL BUDGET IN THE AMOUNT OF $12,312,019 IN FUNDS DISTRIBUTED BY JEFFERSON COUNTY FROM THE CORONAVIRUS RELIEF FUND AND AUTHORIZING THE EXPENDITURE THEREOF AND FURTHER DECLARING AN EMERGENCY

Holly Bjorklund, Chief Financial Officer – She gave a presentation on the allocation of the Coronavirus Relief Fund and the CARES Fund. She shared a chart of the CARES Act distribution between the different Jefferson County cities. She talked about the CARES Act guidelines, the distribution process, and the allocation of CARES Funds. She gave a list of what the funds were being spent on and the overall amount.

Public Comment: None.

Council member Skilling made a motion to adopt Ordinance O-2020-17. It was seconded.

Council Discussion:

Johnson – She asked about the funding for employee wellness and psychological services. She wanted to know how many employees were taking advantage of that and what the cost was.
Hodgson – She stated it originated with the Police Department and with this kind of crisis and the extra strain on the Police Department it was a line item that was submitted by the Police Chief. She did not know how many employees would take advantage of the service but wanted to make it available.

Vote on Ordinance O-2020-17:

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The motion passed.

ORDINANCES ON SECOND READING AND PUBLIC HEARINGS

ITEM 9 – CONTINUED ORDINANCE O-2020-16 – CREATING THE COVID-19 BUSINESS RELIEF AND RECOVERY GRANT PROGRAM AND AUTHORIZING A SUPPLEMENTAL APPROPRIATION TO THE CITY OF LAKEWOOD 2020 ANNUAL BUDGET IN AN AMOUNT NOT TO EXCEED THREE MILLION DOLLARS ($3,000,000) FROM THE CARES ACT DOLLARS RECEIVED THROUGH JEFFERSON COUNTY AND AUTHORIZING THE EXPENDITURE THEREOF AND, FURTHER, DECLARING AN EMERGENCY

Robert Smith, Director of Economic Development – He gave a presentation on the business grants and loans program. He spoke about changes to the ordinance that happened between the first and second reading.

Public Comment:

Joan Poston – Lakewood resident – She stated she had a friend who applied to the last grant and was told she could not apply because her business was home-based. She asked if Council could talk about why home-based businesses were not considered for the grants. She did not think there was enough money being given to businesses and thought picking winners and losers was not the way to go.

Mayor Paul – He clarified that the first round was for non-profits; this was the first round for businesses.
Smith – He stated the program’s second round would allow for home-based businesses to apply for the grant. He explained the guidelines and requirements that businesses would have to meet to qualify for the grant.

Council Discussion:

Council member Gutwein – She proposed an amendment to make it accessible by requiring all forms and information in English and Spanish. She stated when reaching out to the community about the program, that they should reach out to Latin businesses, minority-owned businesses, and businesses in the opportunity zone. Lastly, that a phone number was included on the application for questions.

Council member Bieda – He wanted to clarify that the program was only for grants, not loans.

Smith – He stated that was correct; the ordinance was only for grants.

Bieda – He asked if there were any requirements in the ordinance that a business remain in business for any length of time after they receive the funds.

Smith – He stated at this time there were no terms guaranteeing that the businesses will continue to do business into the future.

Springsteen – She had questions regarding the selection process and wanted to make sure minority-owned business had a fair chance to get a grant.

Smith – He explained in detail the application and selection process.

Able – He was concerned about pop-up businesses that were not licensed in Lakewood and provided an amendment that would limit the eligibility to those businesses who had a physical location/business in Lakewood.

Skilling – He listed the six potential amendments that he heard tonight. Those included: the typo in Section 2, on page 3 change, the 1 million to 3 million; there was a missing paragraph in page 6 that needed to be inserted, Council member Gutwein’s amendment with three sub parts, add language that the business intends to stay in business or at least certifying that they will, that the business must have a physical location in Lakewood and not a PO Box, and that businesses owned by an employee of the City would not be eligible.

Springsteen – She proposed that a business has to certify that their revenues are down at least 35% due to COVID.

Smith – He stated as the ordinance stood now the business would have to certify that they have had a substantial loss. There was no number associated with it.
Bieda – He stated regarding employees, he would suggest saying elected officials or employees of the City and their spouses would not be eligible for the grant.

Council member Franks – She was concerned about requiring a certain percentage because they did not have any data points.

Council member Skilling made a motion to adopt Ordinance O-2020-16. It was seconded.

Skilling – He made a motion to amend the ordinance with the following amendments; that the typo in Section 2, page 3, that lists 1 million be changed to 3 million, and add in the missing paragraph from the presentation on page 6 that gives the breakdown of the 3-million-dollar grant. It was seconded.

Vote on amendment 1:

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The motion passed.

Gutwein – She made a motion to amend the ordinance to ensure all eligible Lakewood businesses have an opportunity to apply for the grant. 1.) Accessibility: require all forms and information in English and Spanish, 2.) Outreach: require outreach to minority-owned businesses and Opportunity Zones, 3.) Assistants: include a phone number on application for questions about grant. It was seconded.

Vote on amendment 2:

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The motion passed.
Springsteen – She made a motion to amend the ordinance to say that businesses have to certify that their revenues are down by at least 35% as a result of COVID. It was seconded.

Gutwein – She was concerned that it would be hard for businesses to gather and provide that data. She did not want to make this application process hard for businesses to apply. She did not support the amendment.

Mayor Paul – He stated he would not be supporting the amendment because he did not know where the percentage came from and how that community differed from Lakewood.

Bieda – He supported the amendment.

Council member Vincent – She called the question. It was seconded.

Vote on calling the question:

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The motion failed.

Skilling – He made a motion to amend the ordinance to say that any City official employee and their immediate families would not be eligible for this grant program. It was seconded.
Vote on amendment 4:

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The motion passed.

Smith – He stated that they already have a series of certifications at the back end of the application as it was currently drafted. They could add another certification in there that businesses are willing to certify that it was their intent to stay in business for a time determined by Council, such as 90 days.

Bieda – He agreed with what Mr. Smith stated and thought 90 days was reasonable.

Franks – She supported the intent statement and the 90 days. She did not believe it should be more than 90 days because they did not know what the future would hold.

Cox – He stated there was similar language used during the light rail construction for businesses who wanted to relocate. He suggested looking at that language to keep it consistent. He also suggested saying that the City may pursue recovery if the business should close within the 90-day period.

Mayor Paul – He told Mr. Smith that those were the two provisions that Council wanted added to the back end of the criteria.

Council member Skilling made a motion to adopt Ordinance O-2020-16, as amended on final reading. It was seconded.
Vote on motion as amended:

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The motion passed.

**ITEM 14 – MAYOR AND CITY COUNCIL REPORTS**

Mayor Paul and City Council Members reported their attendance at previous meetings and events and announced upcoming neighborhood meetings and events.

**ITEM 15 – ADJOURNMENT**

There being no further business to come before City Council, Mayor Paul adjourned the meeting at 10:25 p.m.

Respectfully submitted,

Michele Millard, City Clerk
MINUTES
SPECIAL MEETING OF THE CITY COUNCIL
CITY OF LAKEWOOD

7:00 P.M. June 1, 2020

Minutes are not a verbatim transcription, but rather an attempt to capture the intent of the speaker by the City Clerk.

ITEM 1 – CALL TO ORDER

Mayor Paul called the VIRTUAL MEETING to order at 7:00 p.m.

ITEM 2 – ROLL CALL

Those present were: Mayor Adam Paul, Presiding

Ramey Johnson
Sharon Vincent
Mike Bieda
Barb Franks
Pete Roybal
Dana Gutwein
David Skilling
Karen Harrison
Charley Able
Jacob LaBure

Absent: None.

Others in attendance: Kathy Hodgson, City Manager

Full and timely notice of this City Council meeting had been given and a quorum was present.

ITEM 3 – PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited, and there was a moment for silent prayer.

ITEM 4 – PUBLIC COMMENT

Cindy Baroway – Lakewood Resident – She spoke on the incident concerning Council member Springsteen and her boyfriend at a group home in their neighborhood. She stated that Council member Springsteen’s actions did not reflect the standards of conduct set for lawyers in Colorado. She stated that the Councilor owed the group home, the citizens of Lakewood, and the City Council an apology for her behavior.
Meghann Zeigler – Lakewood Resident – She stated that she was the Executive Director at Rocky Mountain Assisted Living. She stated that the facility has faced repeated harassment from Council member Springsteen. She asked what Council planned to do to address and stop the harassment the facility has experienced. She stated that Council member Springsteen has misused City resources to harass the facility repeatedly over several years. She stated that she expects a response from Council on how they will address the situation.

Rebecca Stewarts – Lakewood Resident – She stated that Rocky Mountain Assisted Living facility is an asset to the community. She stated that the community needs to work to express compassion and decency to others. She stated that the actions of council members should reflect the values of the community.

Karen – Lakewood Resident – She stated that the group home needs to remove their trash in a timely manner. She stated that Council member Springsteen has helped to address some of the issues the neighborhood has with the group home. She stated that the facility has declined to seek mediation with the residents of the neighborhood. She stated her support for Council member Springsteen. She stated that the media gave misleading information regarding the incident.

Unclear – Lakewood Resident – She stated her concern regarding the incident between Council member Springsteen and the care center. She stated that Councilor Springsteen failed to promote public safety and to ensure that voters were heard and treated with respect with her actions in the incident. She stated that Council Springsteen should be held to a higher standard of accountability.

Charles Davis – Lakewood Resident – He stated his concern regarding the incident between Council member Springsteen and the care center. He stated that he was concerned that Councilor Springsteen brought forward a representative to discredit the police report. He stated that he was concerned with Council member Bieda’s support of Councilor Springsteen in the situation given his background as a former judge.

Council Discussion:

Council member Gutwein – She apologized for the technical issues she experienced. She stated for the record to reflect that she was present at the meeting.

Mayor Paul – He stated that Council would look to hold further conversations regarding the incident with the group home at a later date. He stated that he did not have any answers regarding the mediation issues discussed in public comment.

ITEM 5 – EXECUTIVE REPORT

Kathy Hodgson, City Manager, gave her Executive Report:

- She stated that Lakewood and Wheat Ridge would be sending law enforcement to aid the City of Denver with continued protests downtown.
She stated that the City has reopened on a limited basis as of June 1, 2020 with a modified schedule and limited employee presence.

She stated that the COVID-19 Business Relief Grant and Loan Program underwent several changes after new funding from the CARES Act and discussion with local business owners.

CONSENT AGENDA

ORDINANCES ON FIRST READING

No items on the Consent Agenda.

END OF CONSENT AGENDA

ORDINANCES ON SECOND READING AND PUBLIC HEARINGS

ITEM 6 – ORDINANCE O-2020-16 – CREATING THE COVID-19 BUSINESS RELIEF GRANT AND LOAN PROGRAM AND AUTHORIZING A SUPPLEMENTAL APPROPRIATION TO THE CITY OF LAKEWOOD 2020 ANNUAL BUDGET IN AN AMOUNT NOT TO EXCEED ONE MILLION DOLLARS ($1,000,000) FROM THE ECONOMIC DEVELOPMENT FUND AND AUTHORIZING THE EXPENDITURE THEREOF AND, FURTHER, DECLARING AN EMERGENCY

Robert Smith, Director of Economic Development – He gave a presentation on the COVID-19 Business Relief Grant and Loan Program. He provided an overview of Economic Development’s work with the Lakewood business community that began with the initial state-ordered business closures on March 16, 2020. He stated that on April 15, 2020 the Economic Development Department launched the Lakewood Together Project to allow businesses to provide input on Lakewood’s Economic Recovery. He stated that the Economic Recovery Task Force had its first meeting on April 22, 2020 with the top 11 industries present in Lakewood. He stated that the City would be receiving $12.3 million from Jefferson County through the CARES Act. He detailed the economic impacts of COVID-19 on Lakewood’s top industries. He provided a list of factors moving forward that would impact the economy as it slowly reopens. He stated that there are several improvements for the Business Grant and Loans Program that will be made which include committing CARES Act dollars to the funding of the program, committing to larger total funding, using random drawing for some of the grants, using a weighted rubric to better direct grants, determining level of loss to better match grant size to need, and how to best fund businesses.

Public Comment: None.
Council Discussion:

Mayor Pro Tem Skilling – He asked if the ordinance could be moved to June 8, 2020 Council meeting despite the process issues in the first and second reading of the ordinance due to the lack of funding to be appropriated for the program. He asked if the City’s Emergency Declaration and the power given to the City Manager through it, allowed Council to alter its legislation adoption process to prevent further delay. He asked City Attorney Tim Cox if Council could have second reading of the ordinance on June 8, 2020.

Tim Cox, City Attorney – He stated that the powers given to the City Manager through the Emergency Declaration exist since there may be difficulties with Council convening in a normal fashion. He stated that Chapter 1.27.070, item 8 of the City Charter states that the City Manager may suspend or modify the provisions of any ordinance or waive compliance with procedures and formalities, including notices, as may be prescribed by law if compliance thereof would in any way prevent, hinder, or delay necessary action in responding to or mitigating a disaster. He stated that the City Manager under Chapter 1.27.070, item 7 of the City Charter states that the City Manager may expend funds, authorize the obtaining and acquisition of property and equipment, services, supplies, and materials without compliance with procurement regulations and procedures. He stated that the intent of the Chapter gives the City Manager broad power to expend funds and take shortcuts in the legislative process when things need to be done in a timely manner during a disaster.

Skilling – He stated that he would like to make a motion to extend second reading of the ordinance to June 8, 2020 and to direct the City Manager to use the powers granted through the Charter to waive the formal notice procedures. He stated that he wanted the City Attorney’s Office to detail the process that led to the change in legislative process if second reading of the ordinance is moved to June 8, 2020.

Council member Able – He stated that he desired for the businesses most in danger of failure to be more likely to receive funding under the program. He stated that random drawings may not assist those businesses. He stated that he supported lowering the employee limit to 25. He also stated that he supported a requirement that the operator of the business is required to own or lease property in Lakewood. He added that he liked the idea of an additional grant program.

Council member Harrison – She stated that she supported lowering the employee limit to 25. She stated that she supported moving the requirement that businesses were operating as of March 2020 to qualify for the program back to January 1, 2020. She stated that she supported having franchise owners eligible to apply for the program as well but restrict owners of chain businesses not be eligible.

Mayor Paul – He stated that Council members Able and Harrison could work with Economic Development Director Robert Smith and City Attorney Tim Cox to create the wording for their suggestions to be included in the ordinance. He stated that he supported
Mayor Pro Tem Skilling’s proposal to move the second reading for the ordinance and encouraging the City Manager to utilize the powers given through the disaster declaration.

**Kathy Hodgson, City Manager** – She clarified that to follow Mayor Pro Tem Skilling’s recommendations that Council would need to approve the CARES Act funding prior to the second reading of the Business Relief Grant and Loan Program. She stated that if the funding was not approved on June 8, 2020 it would need to wait until the Council meeting on June 22, 2020. She stated that an additional emergency ordinance would also be requested so that the CARES Act funding could be spent in under 30 days as the funds need to be spent prior to the end of the year. She stated that Chief Financial Officer Holly Bjorklund would provide a breakdown for the CARES Act funding uses in the Study Session following the special meeting.

There was consensus from Council to give City Manager Hodgson and City Attorney Cox to place a single item for approval of the CARES Act funds for the Council meeting on June 8, 2020 based upon the emergency powers.

**Skilling** – He stated that Council would need to ask any questions about the funding of the grant and loan program before the next Council meeting on June 8, 2020. He stated that the City could take a role in facilitating the loan program offered to businesses and that further changes may need to be addressed in the program.

Council member Skilling made a motion to continue Ordinance O-2020-16 to June 8, 2020, It was seconded.

**Vote on Ordinance O-2020-16:**

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**TOTAL 11 0**

The motion passed.

**ITEM 7 – GENERAL BUSINESS**

Council Discussion:

**Mayor Paul** – He encouraged Rocky Mountain Assisted living and Councilor Springsteen work to resolve their conflict amicably.
Council member Gutwein – She stated that tensions are high, and it is important for the community to feel safe. She stated that Council plays a role in setting the tone for the community through their behavior and that the incident does not reflect what the community is about. She stated that she would like to see Council set a better example for the community and that the community is owed an apology.

Council member LaBure – He stated that it is important for Council member Springsteen to make a statement to the public when she is comfortable. He stated it is important to hear from all those involved in the situation.

Council member Harrison – She stated that there are always two sides to every story and that it is important to identify what truly happened. She stated that remaining silent encourages thoughts that rumors are true and encouraged a statement to be made.

Council member Springsteen – She stated that she wanted to reiterate the statement she gave at the Ward 3 meeting. She stated that there was false information being circulated regarding the incident. She stated that she is a potential legal witness and cannot speak further on the issue.

ITEM 8 – MAYOR AND CITY COUNCIL REPORTS

Mayor Paul – He stated that Council should face the reality that they will be meeting virtually for the foreseeable future and that agenda items will need to be addressed in a timely manner.

Mayor Paul and City Council Members reported their attendance at previous meetings and events and announced upcoming neighborhood meetings and events.

ITEM 9 – ADJOURNMENT

Mayor Paul adjourned the meeting at 8:35 p.m. and the City Council went into a Study Session.

Submitted by:

Michele Millard, City Clerk
Chapter 5.58

RETAIL MARIJUANA BUSINESS

Sections:

5.58.010 Purpose.
5.58.020 Definitions.
5.58.030 License Required.
5.58.040 Eligibility for Retail Marijuana Store License; Location of Retail Marijuana Stores.
5.58.050 Eligibility for Retail Cultivation Facility License.
5.58.060 Relocation.
5.58.070 Application and Application Fee.
5.58.080 Investigation of Application.
5.58.090 Approval or Denial of Application.
5.58.100 Appeal of Application Denial.
5.58.110 License Fee.
5.58.120 Term of the License.
5.58.130 Renewal.
5.58.140 Denial of Renewal, Suspension or Revocation of License.
5.58.150 Dual Operation of Medical Marijuana and Retail Marijuana Businesses.
5.58.160 Transfer of Ownership.
5.58.170 Modification of Premises.
5.58.180 Hours of Operation.
5.58.190 Ventilation.
5.58.200 Security Requirements for Licensed Premises.
5.58.210 Right of Entry.
5.58.010 Purpose.

A. It is the purpose of this Chapter to adopt regulations governing the operation of retail/recreational marijuana stores, referred to herein as “Retail Marijuana Stores” and retail/recreational marijuana cultivation facilities, referred to herein as “Retail Marijuana Cultivation Facilities” consistent with the provisions of Amendment 64, Article 10 of Title 44 of the Colorado Revised Statutes (the “Colorado Marijuana Code”), and the implementing regulations issued by the Colorado Department of Revenue (1 CCR 212-3), as amended from time to time. The objectives of this Chapter include, but are not limited to:

1. Requiring that any Retail Marijuana Business be operated in a safe and responsible manner; and

2. Establishing a non-discriminatory mechanism by which the City can control, through appropriate regulation, the location and operation of Retail Marijuana Businesses within the City.

B. Nothing in this Chapter allows a person to:

1. Possess, cultivate, grow, use, or distribute marijuana that is otherwise illegal under applicable law; or

2. Engage in any activity related to the possession, cultivation, growing, use, or distribution of marijuana that is not otherwise permitted under the laws of the City or the State of Colorado.

C. The provisions in this Chapter that are different from state law are consistent with the City of Lakewood’s responsibility to protect the public health, safety, and welfare as authorized by the Colorado Marijuana Code, and by the home rule authority granted to the City of Lakewood by Article XX of the Colorado Constitution and the Charter of the City of Lakewood. The City intends that both state law and this Chapter apply within the City of Lakewood. Where this Chapter
conflicts with state law, this Chapter shall govern on all matters authorized in the Colorado Marijuana Code and on all matters of local concern.

D. Adoption of this Chapter is not intended to waive or otherwise impair or limit any portion of the local option available to the City of Lakewood under the Colorado Marijuana Code.

5.58.020 Definitions.

A. Except as set forth below, terms used in this Chapter shall have the definitions found in the Colorado Marijuana Code.

“Amendment 64” means the voter-initiated amendment to the Colorado Constitution codified as Section 16 of Article XVIII of the Colorado Constitution.

“Applicant” means a person who is making an application for a Retail Marijuana Store license or Retail Marijuana Cultivation Facility license under this Chapter.

“City” means the City of Lakewood, Colorado.

“City Manager” means the City Manager of the City of Lakewood or designee.

“Colorado Marijuana Code” means Article 10 of Title 44, C.R.S.

“License” means a license to operate a Retail Marijuana Store or a Retail Marijuana Cultivation Facility issued by the City pursuant to this Chapter.

“Licensee” means the person to whom a license has been issued pursuant to this Chapter.

“Location” means a particular parcel of land that is identified as a zoning lot and inclusive of all structures thereon. To the extent the location consists of separate street addresses, units, suites, rooms, or other similar descriptor, the location shall nevertheless be counted as one (1) location for the purposes of this Chapter.

“Retail Marijuana Business” means a Retail Marijuana Store or a Retail Marijuana Cultivation Facility, as such terms are defined in the Colorado Marijuana Code.
5.58.030 License Required.

A. A Retail Marijuana Business may only be operated within the City pursuant to a local Retail Marijuana Business license issued by the City under this Chapter and a corresponding state Retail Marijuana Business license issued by the State of Colorado under the Colorado Marijuana Code.

B. A separate license shall be required for each Retail Marijuana Store and each Retail Marijuana Cultivation Facility. The requirement to obtain a Retail Marijuana Business license is in addition to the requirement to obtain a sales tax license and any other license required by the City.

C. Retail Marijuana-Infused Products Manufacturing facilities, as such term is defined in the Colorado Marijuana Code, are hereby prohibited within the City and no such license shall be available in the City.

5.58.040 Eligibility for Retail Marijuana Store License; Location of Retail Marijuana Stores.

A. No Retail Marijuana Store shall be licensed or otherwise permitted in the City unless the applicant for a Retail Marijuana Store license was, as of April 1, 2020, operating in good standing a licensed Medical Marijuana Center in the City, and the applicant is, as of the time of application for a local license under this Chapter, licensed as a Medical Marijuana Center by the City and the State of Colorado.

B. Any distance restrictions set forth in this Chapter shall not apply to any existing location where, as of April 1, 2020, a Medical Marijuana Center license was issued by the City and the State of Colorado, and the location, as of the time of application for a local license under this Chapter, is operated by a licensed Medical Marijuana Center.

C. Any person who obtains a transfer of ownership of the state and local licenses for a Medical Marijuana Center that was operating in the City as of April 1, 2020 and is duly licensed
by the City and State of Colorado may qualify for licensing as a Retail Marijuana Store in the City as allowed by Subsections (A) and (B) of this Section.

5.58.050 Eligibility for Retail Cultivation Facility License.

A. No Retail Marijuana Cultivation Facility shall be licensed or otherwise permitted in the City unless (i) the applicant for a Retail Marijuana Cultivation Facility license was, as of April 1, 2020, operating in good standing a licensed Medical Marijuana Optional Premises Cultivation facility in the City; (ii) the applicant is, as of the time of application for a local license under this Chapter, licensed as a Medical Marijuana Optional Premises Cultivation facility by the City and the State of Colorado; and (iii) the Retail Marijuana Cultivation Facility license is located at the same location as the applicant’s existing Medical Marijuana Optional Premises Cultivation facility.

B. Any person who obtains a transfer of ownership of the state and local licenses for a Medical Marijuana Optional Premises Cultivation facility that was operating in the City as of April 1, 2020 and is duly licensed by the City and State of Colorado may qualify for licensing as a Retail Marijuana Cultivation Facility in the City as allowed by Subsection (A) of this Section.

5.58.060 Relocation.

A. After a license for a Retail Marijuana Store or a Retail Marijuana Cultivation Facility has been issued by the City and the State of Colorado, the licensee may apply for a transfer of location of the Retail Marijuana Business. Any transfer of location of a Retail Marijuana Store or Retail Marijuana Cultivation Facility license to a new location within the City shall be governed by the standards and procedures set forth in the Colorado Marijuana Code and any rules and regulations adopted pursuant thereto, and the City shall administer applications for transfer of location in the same manner as the State of Colorado administers transfer of location of state licenses, subject to the additional local requirements set forth in this section.
B. A Retail Marijuana Store applying to transfer to a new location in the City shall not be relocated:

1. Within three thousand (3,000) feet of any other licensed Medical Marijuana Center or Retail Marijuana Store; or

2. Within one thousand (1,000) feet of any elementary, middle or high school, or any athletic facilities associated with such schools.

C. For the purposes of this Section, the minimum distance shall be measured in a straight line, without regard to intervening structures, from the nearest property line of one Medical or Retail Marijuana Business to the nearest property line of the parcel on which the structure of another Medical or Retail Marijuana Business is located, or to the nearest property line of the parcel on which the school or athletic facility is located, whichever is applicable.

D. If the application to relocate a Retail Marijuana Business is to a building that is not in existence, the applicant shall file a plot plan and a detailed sketch for the interior and submit an architect’s drawing of the building to be constructed.

E. At the time of submitting an application to the City for relocation, the applicant shall pay an application processing fee of one thousand dollars ($1,000).

F. The Police Department will conduct a Crime Prevention through Environmental Design (CPTED) evaluation to address any security concerns regarding the exterior of the facility. A police agent trained in conducting CPTED evaluations shall conduct the review. The purpose of the CPTED review is to create an environment that impedes criminal activity by improving lighting, mitigating obstructions caused by such things as trees, bushes, fences, and dumpsters that create blind spots or hiding spots, and using security cameras to monitor the property. The Police Department shall promptly forward the results and recommendations of the CPTED evaluation to the City Clerk for administrative review.

G. An application for relocation shall be administratively approved or denied by the City Clerk within thirty (30) days after submittal of the application.
5.58.070 Application and Application Fee.

A. All applicants for a Retail Marijuana Business license shall file a completed application for such license with the City Clerk on forms provided by the City and/or the Colorado Department of Revenue. Applications for a new Retail Marijuana Business license shall be governed by the standards and procedures set forth in the Colorado Marijuana Code and any rules and regulations adopted pursuant thereto, and the City shall administer applications in the same manner as the State of Colorado administers applications for state licenses. A separate application shall be submitted for each Retail Marijuana Store and each Retail Marijuana Cultivation Facility license.

B. All applicants shall file at the time of application the floor plans and specifications for the interior of the premises of the Retail Marijuana Business that were submitted to the Colorado Department of Revenue.

C. The City and its departments and agencies may incorporate any findings as to good moral character of the applicant previously made by the Colorado Department of Revenue, and shall not be required to perform a criminal background check if the Colorado Department of Revenue has already performed a criminal background check on the applicant in connection with the Retail Marijuana Business application and/or other existing licenses held by the applicant in good standing with the Colorado Department of Revenue.

D. Each applicant for a Retail Marijuana Store license shall pay an application processing fee of two thousand dollars ($2,000) at the time of submitting such application to the City Clerk. Each applicant for a Retail Marijuana Cultivation Facility license shall pay an application processing fee of five hundred dollars ($500) at the time of submitting such application to the City Clerk. Such application fee shall be nonrefundable, unless the application is returned for being incomplete.
5.58.080 Investigation of Application.

A. When a complete application for a Retail Marijuana Business license has been accepted for filing and the license fee has been paid, the City Clerk shall transmit the application to the Police Department. In addition to any investigations required under state law, the Police Department will do the following:

1. Conduct a review of the application and investigate the accuracy of all the information submitted as a part of the application. The Police Department shall promptly forward its completed investigation of the application to the City Clerk for administrative review; and

2. For any transfer of location where a licensed Medical Marijuana Center is not currently operating at the same location, conduct a Crime Prevention through Environmental Design (CPTED) evaluation to address any security concerns regarding the exterior of the facility, as set forth in this Chapter.

5.58.090 Approval or Denial of Application.

A. Each application shall be administratively approved or denied by the City Clerk. A license shall not be effective until the license has been issued to the applicant by the City Clerk. An application shall be approved and a license shall be issued unless the City Clerk or designee finds that the applicant:

1. Knowingly made a false statement or knowingly gave false information in connection with the application;

2. Will operate the Retail Marijuana Business in violation of local or state law, statute, rule or regulation;

3. Has failed to comply with the results of the CPTED evaluation unless the City Clerk finds good cause to grant the applicant additional time to implement CPTED requirements; or
4. Has otherwise failed to comply with the provisions of this Chapter, the Colorado Marijuana Code, Amendment 64, or any implementing statutes and administrative regulations, as amended from time to time.

B. If necessary, the applicant and any individuals listed on the application may present written documentation to the City Clerk regarding criminal history, including but not limited to evidence of mitigating factors, rehabilitation, character references, and educational achievements, especially those items pertaining to the period of time between the applicant’s last criminal conviction and the consideration of the application for a license.

5.58.100 Appeal of Application Denial.

A. In the event that the City Clerk denies a license application, the City Clerk shall prepare written findings of fact stating the reasons or basis for the denial. A copy of the City Clerk’s findings shall be sent by certified mail, return receipt requested, to the address of the applicant as shown in the application. If no appeal is filed with the City Manager within thirty (30) days of the mailing, the denial of the license application shall become a final administrative decision of the City of Lakewood.

B. In the event that the City Clerk denies a license application, an applicant shall have the right to a quasi-judicial hearing before the City Manager for the purpose of appealing the City Clerk’s administrative decision. The hearing shall be conducted within thirty (30) days of the City Manager’s receipt of the denied applicant’s written request for a hearing.

C. At the hearing, the City Manager shall hear and consider such evidence and testimony presented by the City of Lakewood, the applicant, or any other witnesses called by the City of Lakewood or the applicant which evidence is relevant to the stated reason and basis for the City Clerk’s denial of the license application. The City Manager shall conduct the hearing in accordance with quasi-judicial proceedings and shall permit the relevant testimony of witnesses, cross-examination, and presentation of relevant documents and other evidence. The formal rules
of evidence shall not apply. The hearing shall be recorded. Any person requesting a transcript of such record shall pay the reasonable cost of preparing the record.

D. Within fourteen (14) days following the conclusion of the hearing, the City Manager shall send a written order by delivery confirmation, to the applicant at the address as shown on the application. The order shall include findings of fact and a final decision concerning the approval or denial of the application. In the event that the City Manager concludes that the application is approved, such approval shall constitute approval by the City Clerk, and the applicant may seek issuance of a license in accordance with this Chapter.

E. The order of the City Manager made pursuant to this section shall be a final decision and may be appealed pursuant to the Colorado Rules of Civil Procedure. For purposes of any appeal, the City Manager’s decision shall be final upon the date on which the applicant receives the order or four (4) days after the date of mailing, whichever is earlier.

5.58.110 License Fee.

The license fee for any license issued pursuant to this Chapter shall be payable to the City Clerk at the time an initial license application is filed and thereafter at the time of biennial license renewal. The license fee is in addition to any application fee required by this Chapter. The license fee shall be nonrefundable unless an application is denied. The fee for a Retail Marijuana Store license shall be one thousand dollars ($1,000) per year. The fee for Retail Marijuana Cultivation Facility license shall be five hundred dollars ($500.00).

5.58.120 Term of the License.

A Retail Marijuana Business license shall be valid for a period of two (2) years from date of issuance, unless revoked or suspended.
5.58.130 Renewal.

A. To renew an existing license issued pursuant to this Chapter, the applicant must pay the license fee and file a renewal application with the City Clerk prior to the date of the license expiration. The City Clerk may administratively renew a license.

B. A license that is under suspension or otherwise subject to discipline may be renewed in accordance with this Section provided that such renewal shall not modify, alter, terminate, or shorten the period or term of the suspension.

5.58.140 Denial of Renewal, Suspension or Revocation of License.

A. The City Manager may deny renewal of, suspend, revoke, modify, or place conditions on the continuation of a Retail Marijuana Business license upon a finding that the licensee:

1. Has violated any material provision of this Chapter;
2. Has violated the Colorado Marijuana Code or the administrative regulations issued thereunder by the Colorado Department of Revenue;
3. Has failed to comply with the results of the CPTED evaluation regarding the exterior of the facility; or
4. Has allowed or permitted any other person to engage in any criminal conduct on the premises.

B. A licensee shall be entitled to a quasi-judicial hearing before the City Manager if the City seeks to deny renewal, suspend, revoke, modify, or place conditions on a license pursuant to this Chapter.

1. When there is probable cause to believe that a licensee has violated this Chapter or other law, the City Attorney may file a written complaint with the City Manager setting forth the circumstances of the alleged violation.
2. The City Manager shall send a copy of the complaint by delivery confirmation to the licensee at the address as shown on the license application, together with a notice to appear
before the City Manager for the purpose of a hearing to be conducted at a specified date and time and at a place designated in the notice to show cause why the licensee's license should not be suspended. Such hearing shall be held on a date within thirty (30) days following the date of mailing of the complaint unless the City Clerk grants an extension thereof. A licensee may be represented at the hearing by an attorney or other representative.

C. At the hearing, the City Manager shall hear and consider such evidence and testimony presented by the Police Department or other enforcement officers, the City of Lakewood, the licensee, or any other witnesses called by the City of Lakewood or the licensee, which evidence is relevant to the violations alleged in the complaint. The City Manager shall conduct the hearing in conformity with quasi-judicial proceedings and shall permit the relevant testimony of witnesses, cross-examination, and presentation of relevant documents and other evidence. The formal rules of evidence shall not apply. The hearing shall be recorded. Any person requesting a transcript of such record shall pay the reasonable cost of preparing the record.

D. The City Manager shall make written findings of fact from the statements and evidence offered and shall reach a conclusion as to whether the alleged violations occurred and what type of discipline, if any, shall be imposed against the license. Such written findings and conclusion shall be prepared and issued in an order by the City Manager within fourteen (14) days following the conclusion of the hearing. A copy of the findings, conclusion, and order shall be hand delivered or mailed to the licensee by delivery confirmation, at the address as shown on the license application.

E. The order of the City Manager made pursuant to this section shall be a final decision and may be appealed pursuant to the Colorado Rules of Civil Procedure. For purposes of any appeal, the City Manager's decision shall be final upon the date on which the applicant receives the order or four (4) days after the date of mailing, whichever is earlier.
5.58.150 Dual Operation of Medical Marijuana and Retail Marijuana Businesses.

A. A person who holds a license to operate a Medical Marijuana Center and a license to operate a Retail Marijuana Store may operate both licenses in the same premises and in the same location, subject to compliance with the applicable requirements of the Colorado Marijuana Code and any rules and regulations adopted pursuant thereto. Such Medical Marijuana Center and Retail Marijuana Store licenses must be held by the same business licensee.

B. A Medical Marijuana Center that does not authorize patients under the age of twenty-one (21) years to be on the premises may hold a Retail Marijuana Store license and operate a dual operation retail business at a shared licensed premises and may share the same entrances and exits, subject to the following:

1. The Medical Marijuana Center must post signage clearly conveying that persons under twenty-one (21) years of age may not enter the establishment.

2. Medical marijuana and retail marijuana and medical marijuana-infused products and retail marijuana products must be displayed separately on the same sale floor.

3. Record keeping for the business operations of both must enable the City of Lakewood and Colorado Department of Revenue to clearly distinguish the inventories and business transactions of medical marijuana and medical marijuana-infused products from retail marijuana and retail marijuana products.

C. A Medical Marijuana Center that does authorize patients under the age of twenty-one (21) years to be on the premises may hold a Retail Marijuana Store license and operate a dual operation retail business at a shared licensed premises, subject to the following:

1. The Retail Marijuana Store licensee must post signage clearly conveying that persons under twenty-one (21) years of age may not enter the area that contains the Retail Marijuana Store.

2. The Medical Marijuana Center and the Retail Marijuana Store must have separate entrances and exits, and medical marijuana and retail marijuana goods and products must be
separately displayed and sold. The shared licensed premises may include a common foyer, vestibule, check-in area, or waiting area for both Retail Marijuana Store customers and Medical Marijuana Center patients. Provided that it complies with applicable requirements for physical separation, the Medical Marijuana Center may sell medical marijuana to patients under twenty-one (21) years of age and may otherwise conduct its medical marijuana operations as allowed under the Colorado Marijuana Code.

3. Record keeping for the business operations of both must enable the City of Lakewood and Colorado Department of Revenue to clearly distinguish the inventories and business transaction of medical marijuana and medical marijuana-infused products from retail marijuana and retail marijuana products.

D. A person who holds a license to operate a Medical Marijuana Optional Premises Cultivation facility and a Retail Marijuana Cultivation Facility may operate both licenses in the same premises and in the same location, subject to compliance with the applicable requirements of the Colorado Marijuana Code and any rules and regulations adopted pursuant thereto. Such Medical Marijuana Optional Premises Cultivation and Retail Marijuana Cultivation Facility licenses must be held by the same business licensee.

5.58.160 Transfer of Ownership.

A. Transfer of ownership of any local Retail Marijuana Business license issued pursuant to this Chapter shall be governed by the standards and procedures set forth in the Colorado Marijuana Code and any rules and regulations adopted pursuant thereto, and the City Clerk shall administer transfers of such local licenses in the same manner as the Colorado Department of Revenue administers transfers of state licenses.

B. At the time of submitting an application for transfer of ownership to the City Clerk, the applicant shall pay an application processing fee of one thousand dollars ($1,000.00). Said application fee shall be nonrefundable.
C. Any proposed or approved transfer of ownership of a Retail Marijuana Business license shall not affect any exemption that the location or the licensee may enjoy from the distance restrictions set forth in this Chapter.

5.58.170 Modification of Premises.

A. Any physical modification of the licensed premises of a Retail Marijuana Business license issued pursuant to this Chapter shall be governed by the standards and procedures set forth in the Colorado Marijuana Code and any rules and regulations adopted pursuant thereto, and the City Clerk shall administer applications for modification of premises in the same manner as the Colorado Department of Revenue administers modification of premises for state licenses.

B. At the time of submitting any application for modification of premises to the City Clerk, the applicant shall pay an application processing fee of five hundred dollars ($500.00). Said application fee shall be nonrefundable.

C. Any proposed or approved modification of premises of a Retail Marijuana Business license shall not affect any exemption that the location or the licensee may enjoy from the distance restrictions set forth in this Chapter.

5.58.180 Hours of Operation.

A. A Retail Marijuana Store may open no earlier than eight o'clock (8:00) A.M. and shall close no later than ten o'clock (10:00) P.M. the same day. A Retail Marijuana Store may be open seven (7) days a week.

B. A Retail Marijuana Cultivation Facility may operate during the hours of operation authorized under the Colorado Marijuana Code and the State of Colorado rules and regulations adopted pursuant thereto.
5.58.190 Ventilation.

A Retail Marijuana Business shall be equipped with a ventilation system that filters out the odor of marijuana, to the extent practicable, to mitigate the smell at the exterior of the Retail Marijuana Business or any adjoining business, parcel, or tract of real property.

5.58.200 Security Requirements for Licensed Premises.

All Retail Marijuana Businesses shall comply with the security requirements for the licensed premises as set forth in the Colorado Marijuana Code and the State of Colorado rules and regulations adopted pursuant thereto.

5.58.210 Right of Entry.

All Retail Marijuana Businesses shall permit the Police Department or any other authorized agent of the City of Lakewood to conduct routine inspections, from time to time, of the licensed Retail Marijuana Business to ensure compliance with the requirements of this Chapter, the Colorado Marijuana Code, or any other applicable law, rule or regulation.

5.58.220 Duties of Licensee.

Each licensee shall:

A. Post the license in a conspicuous location on the premises of the Retail Marijuana Business that may be readily seen by persons entering the premises;

B. For Retail Marijuana Stores, post any public warning signage required by the Colorado Marijuana Code;

C. For Retail Marijuana Stores, sell or transfer to customers only the quantity of marijuana per transaction authorized by the Colorado Marijuana Code;

D. Comply with all of the terms and conditions of the license;

E. Comply with all of the requirements of this Chapter;
F. Comply with all other applicable City of Lakewood ordinances; and

G. Comply with all state laws and administrative regulations pertaining to the retail use of marijuana, including, but not limited to, Amendment 64; the Colorado Marijuana Code; and the rules and regulations adopted pursuant thereto.

5.58.230 Reasonable Procedures.

The City Clerk is hereby authorized to adopt such reasonable policies and procedures as are deemed necessary to implement the provisions of this Chapter.

Corresponding Changes to Lakewood Medical Marijuana Code (Chapter 5.51)

Section 5.51.035 of the Lakewood City Code shall be amended as follows:

5.51.035 Restrictions on Medical Marijuana Business.

Any Medical Marijuana Business for which a license is issued under this Chapter shall be subject to the following restrictions:

A. A building or structure containing a Medical Marijuana Business may be repaired, but it may not be structurally altered unless the building, structure, or a portion thereof, is declared unsafe by the City of Lakewood building inspector, in which case the building, structure, or portion thereof declared unsafe may be strengthened, altered, or restored to a safe condition.

B. No Medical Marijuana Business may be enlarged, extended or expanded. An extension or expansion shall include any increase in the floor area of the building or structure of the licensed premises of the Medical Marijuana Care-giver Facility.
If a Medical Marijuana Business discontinues operation for a period of one hundred twenty (120) days or more, regardless of any intent to resume operations, any future use of the building or structure shall not be for a Medical Marijuana Business. The City Manager may, in his or her sole discretion, extend the one hundred twenty (120) day period if he or she finds that extenuating circumstances exist.

Section 5.51.040 of the Lakewood City Code shall be amended as follows:

5.51.040 Location of Medical Marijuana Business.

A. It shall be unlawful to operate or to cause or permit the operation of a Medical Marijuana Business:

1. In any location that does not comply with the Lakewood Zoning Ordinance, except that any business for which the City of Lakewood had issued a sales tax license for a Medical Marijuana Care-giver Facility prior to the effective date of this Ordinance 0-2010-1 for a location that is not in a zone district in which a Medical Marijuana Center is a permitted use may continue to operate as a legal non-conforming use subject to the provisions of Article 16 of Title 17 of the Lakewood Municipal Code;

2. Within three quarters (3/4) of a mile three thousand (3,000) feet of any other licensed Medical Marijuana Center or Retail Marijuana Store;

3. Within one thousand (1,000) feet of any elementary, middle or high school, or any athletic facilities associated with such schools, regardless of the jurisdiction in which the school is located;
Section 5.51.045 of the Lakewood City Code shall be amended as follows:

5.51.045 Relocation.

A. After a license for a Medical Marijuana Center and/or Optional Premises Cultivation Operation has been issued by the City of Lakewood and the State of Colorado pursuant to the Colorado Medical Marijuana Code, the licensee may be allowed to apply for a relocation of the Medical Marijuana Business. The licensee may only relocate from a location for which a Medical Marijuana Care-giver Facility license was issued by the City of Lakewood on or before the effective date of this Chapter or an application for a Medical Marijuana Care-giver Facility license was submitted to the City of Lakewood on or before July 1, 2010 and the decision of the City Clerk was still pending as of the effective date of this Chapter.

B. If the licensee has been issued a license for both a Medical Marijuana Center and an Optional Premises Cultivation Operation, both licensed businesses must be relocated to the same facility.

C. No Medical Marijuana Business may be relocated to a new location that results in any increase in the floor area of the building or structure of the licensed premises of the Medical Marijuana Care-giver Facility.

D. If the application to relocate a Medical Marijuana Business is to a building that is not in existence, the applicant shall file a plot plan and a detailed sketch for the interior and submit an architect’s drawing of the building to be constructed.

E. The application to relocate a Medical Marijuana Business shall include written verification from the City of Lakewood that the location requirements imposed by this Chapter and the Lakewood Zoning Ordinance have been met.

F. At the time of submitting any application for relocation to the City Clerk, each applicant shall pay an application processing fee of two thousand dollars ($2,000.00). In the future, fees will be set by City Council resolution. Such application fee shall be nonrefundable.
G. E. The Police Department will conduct a Crime Prevention through Environmental Design (CPTED) evaluation to address any security concerns regarding the exterior of the facility. A police agent trained in conducting CPTED evaluations shall conduct the review. The purpose of the CPTED review is to create an environment that impedes criminal activity by improving lighting, mitigating obstructions caused by such things as trees, bushes, fences, and dumpsters that create blind spots or hiding spots, and using security cameras to monitor the property. The Police Department shall promptly forward the results and recommendations of the CPTED evaluation to the City Clerk for administrative review.

H. F. An application for relocation shall be administratively approved or denied by the City Clerk pursuant to the criteria set forth in Section 5.51.070 within thirty (30) days after submittal of the application.

Section 5.51.150 of the Lakewood City Code shall be amended as follows:

5.51.150 Unlawful acts.

B. It is unlawful for a person licensed pursuant to this article to:

4. Sell, serve, or distribute medical marijuana at any time other than between the hours of 8:00 a.m. and 7:00 p.m. 10:00 P.M. Monday through Sunday;
STAFF MEMO

DATE OF COUNCIL MEETING: AUGUST 24, 2020 / AGENDA ITEM NO. 14

To: Mayor and City Council

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

Subject: RESOLUTION – CALLING A SPECIAL ELECTION

SUMMARY STATEMENT: The citizen-initiated ordinance to adopt regulations governing the operation of retail marijuana stores and retail marijuana cultivation facilities in the City of Lakewood and making amendments to the Lakewood Municipal Code, Chapter 5.51 concerning medical marijuana businesses is on the City Council agenda for August 24, 2020. If the City Council does not adopt the citizen-initiated ordinance, then the City Council is legally obligated to submit the ordinance to a vote of Lakewood electors. This resolution calls that election, sets the election date for November 3, 2020, and authorizes the City Clerk, who is the City’s Designated Election Official, to perform all duties necessary to carry out the election.

BACKGROUND INFORMATION: The City Clerk’s Office received a citizen-initiated petition regarding an ordinance on June 2, 2020. The City Clerk determined the petitions were sufficient. Upon presenting the petitions sufficiency to Council, per Section 13.1(d) of the Lakewood Charter, if the City Council does not adopt the citizen-initiated ordinance, then the City Council is legally obligated to submit the ordinance to a vote of Lakewood electors.

BUDGETARY IMPACTS: The cost to administer the special election will be determined after the election has been certified.

STAFF RECOMMENDATIONS: Staff recommends that City Council provide clear direction to staff on how they would like to proceed.

ALTERNATIVES: There are no alternatives to calling a Special Election if the City Council does not adopt the initiated ordinance.

PUBLIC OUTREACH: This item has been promoted through the City’s regular communication channels for matters that appear before City Council.

NEXT STEPS: There are no next steps for City Council regarding this resolution.

ATTACHMENTS: Resolution 2020-31

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Timothy P. Cox, City Attorney
2020-31

A RESOLUTION

CALLING A SPECIAL MUNICIPAL ELECTION FOR NOVEMBER 3, 2020, TO SUBMIT TO A VOTE OF THE REGISTERED ELECTORS OF THE CITY OF LAKEWOOD A CITIZEN-INITIATED ORDINANCE REGARDING RETAIL MARIJUANA BUSINESSES

WHEREAS, the Lakewood City Clerk’s Office received an initiative petition on June 2, 2020, which the City Clerk determined to contain the sufficient number of required registered electors’ signatures;

WHEREAS, in accordance with the Lakewood Home Rule Charter (the “Charter”), Section 13.1(c), upon a finding of sufficiency, the City Clerk shall present the petition to the City Council at its first regular meeting held more than thirty days after the date the petition is filed;

WHEREAS, pursuant to Section 13.1(d) of the Charter, the City Council shall either: (1) adopt the initiated ordinance by a majority vote of all members of City Council without any change to the initiated ordinance; or (2) submit the initiated ordinance to a vote of the registered electors of the City at a special election to be held within ninety days;

WHEREAS, the City Council hereby finds and determines that submitting the initiated ordinance to a vote of the registered electors of the City is and shall be in the best interest of the residents of the City; and

WHEREAS, pursuant to C.R.S. § 31-10-401, the City Council shall appoint, or authorize the City Clerk to appoint, election judges.

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

SECTION 1. The City Council hereby calls and sets a special municipal election for November 3, 2020, which shall be a mail ballot election conducted in coordination with the Jefferson County Clerk and Recorder.

SECTION 2. The City Council hereby directs the City Clerk to conduct the special municipal election and to perform all duties and responsibilities relating to such election.

SECTION 3. The City Clerk shall take all actions necessary for such ballot question to be presented to the registered electors of the City of Lakewood at the special municipal election to be held on November 3, 2020.
SECTION 4. The ballot title for the ballot question shall be as follows:

“Shall the City of Lakewood adopt an ordinance adopting regulations governing the operation of retail marijuana stores and retail marijuana cultivation facilities in the City of Lakewood and making corresponding amendments to certain sections of Lakewood Municipal Code, Chapter 5.51 concerning medical marijuana businesses?”

______ YES (FOR THE ORDINANCE)

______ NO (AGAINST THE ORDINANCE)

SECTION 5. This Resolution shall take effect immediately upon its adoption.

INTRODUCED, READ AND ADOPTED by a vote of ___ for and ___ against at a virtual regular meeting of the City Council on August 24, 2020 at 7 o'clock p.m.

________________________________________

Adam Paul, Mayor

ATTEST:

________________________________________

Michele Millard, City Clerk

APPROVED AS TO FORM:

________________________________________

Timothy P. Cox, City Attorney
To: Mayor and City Council

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

Subject: RESOLUTION – APPROVING PARTICIPATION IN A COORDINATED SPECIAL ELECTION

SUMMARY STATEMENT: This resolution approves participation in the coordinated election to be conducted on November 3, 2020 and authorizes the City Clerk to enter into an IGA with the Jefferson County Clerk and Recorder and to perform all duties necessary to carry out the election.

BACKGROUND INFORMATION: The Jefferson County Clerk and Recorder is the coordinated election official responsible for conducting the election on behalf of the participating governmental jurisdictions. Pursuant to state law, the employees of the Lakewood City Clerk’s Office are Deputy City Clerks for purposes of the November 3, 2020 election. This resolution approves the participation in the coordinated election and an IGA with the Jefferson County Clerk and Recorder’s Office to provide for coordinated election services.

BUDGETARY IMPACTS: The cost to administer the coordinated special election will be determined by the County after the election has been certified.

STAFF RECOMMENDATIONS: Staff recommends that City Council provide clear direction to staff on how they would like to proceed.

ALTERNATIVES: There are no alternatives to calling a Special Election if the City Council does not adopt the initiated ordinance.

PUBLIC OUTREACH: This item has been promoted through the City’s regular communication channels for matters that appear before City Council.

NEXT STEPS: There are no next steps for City Council regarding this resolution.

ATTACHMENTS: Resolution 2020-32
Intergovernmental Agreement (IGA)

REVIEWED BY: Kathleen E. Hodgson, City Manager
Benjamin B. Goldstein, Deputy City Manager
Timothy P. Cox, City Attorney
2020-32

A RESOLUTION

APPROVING PARTICIPATION BY THE CITY OF LAKEWOOD IN A COORDINATED ELECTION TO BE CONDUCTED ON NOVEMBER 3, 2020, BY THE JEFFERSON COUNTY CLERK AND RECORDER

WHEREAS, November 3, 2020, is a designated coordinated election date under state law;

WHEREAS, the Jefferson County Clerk and Recorder (the “Jefferson County Clerk”) is the coordinated election official responsible for conducting the coordinated election on behalf of the participating governmental jurisdictions;

WHEREAS, Jefferson County and the City of Lakewood must enter into an intergovernmental agreement to provide for coordinated election services and for formal approval for participation in the coordinated election (the “IGA”); and

WHEREAS, the City Council hereby finds and determines that execution of the IGA and participation in the coordinated election are and shall be in the best interest of the residents of the City.

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

SECTION 1. Participation by the City of Lakewood in the coordinated election to be held on November 3, 2020, is hereby approved.

SECTION 2. The City Clerk is hereby authorized to execute with the Jefferson County Clerk an IGA approved as to form by the City Attorney and to take all appropriate action to hold the election, including compliance with applicable election laws.

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 August 24, 2020, at 7 o’clock p.m.

________________________________________
Adam Paul, Mayor

ATTEST:

Michele Millard, City Clerk

APPROVED AS TO FORM:

________________________________________
Timothy P. Cox, City Attorney
INTERGOVERNMENTAL AGREEMENT FOR
ELECTION COORDINATION

THIS INTERGOVERNMENTAL AGREEMENT FOR ELECTION COORDINATION (this “Agreement”), dated for reference purposes only this _____day of ______________, 2020, is by and between the CLERK AND RECORDER FOR THE COUNTY OF JEFFERSON, STATE OF COLORADO (“County Clerk”) and the _______________________________(the “Jurisdiction,” and together with the County Clerk, the “Parties.”)

RECITALS

A. The County Clerk and the Jurisdiction are authorized to conduct elections under Colorado law.

B. The Parties wish to coordinate the administration of their respective election matters at the upcoming election to be held on November 3, 2020 (the “Election”); 

C. This Agreement sets forth the Parties’ respective duties and responsibilities in connection with the preparation for, and conduct of, the Election.

AGREEMENT

In consideration of the foregoing recitals and the mutual covenants and promises herein contained, the Parties agree as follows:

1. **Definitions.** Capitalized terms not otherwise defined herein shall have the meanings set forth below:

   a. “Applicable Law” means all law applicable to the Election, including, without limitation, the Colorado Constitution, the Uniform Election Code (as defined below), UOCAVA (as defined below) and the Rules (as defined below).

   b. “Ballot Box” means a locked and secured container meeting the requirements of Applicable Law in which ballots may be deposited.

   c. “Ballot Issue” shall have the meaning ascribed to that term in C.R.S. § 1-1-104(2.3).

   d. “Ballot Issue Notice” shall have the meaning ascribed to that term in C.R.S. § 1-1-104(2.5).

   e. “Ballot Measure” means any Ballot Issue or Ballot Question.

   f. “Ballot Question” shall the meaning ascribed to that term in C.R.S. § 1-1-104(2.7).

   g. “Election Audit” means a risk-limiting audit performed in accordance with the requirements of C.R.S. § 1-7-515.

   h. “Election Canvass” means the process of reconciling the ballots cast in the Election to the ballots counted, which is performed in accordance with the requirements of C.R.S. § 1-10-101, et seq.
i. “Notice Packet” means a packet containing Ballot Issue Notices prepared and mailed to eligible voters in accordance with Applicable Law and the terms of this Agreement.

j. “Precinct” means an area with established boundaries within the Jurisdiction used to establish election districts.

k. “Rules” means the current rules and regulations governing election procedures adopted by the Colorado Secretary of State, including any amendments adopted after execution of this Agreement.

l. “Shared Election Costs” means all costs incurred by the County Clerk in connection with the Election that are eligible to be shared between the County Clerk and the Jurisdiction. Shared Election Costs include, without limitation, all costs incurred by the County related to temporary election staff (such as election judges), including training and onboarding costs, regular County Clerk employee overtime costs related to the Election, costs for support, maintenance, handling and delivery of Election equipment, hardware and software, costs of preparing minority language sample ballots and Notice Packets, costs of Election forms, materials, supplies and postage, and costs of Election Day meals.

m. “Uniform Election Code” means Title 1 of the Colorado Revised Statutes.


2. **Term.** The term of this Agreement shall commence on the date it is validly executed by both Parties and shall continue until all obligations of both Parties under the Agreement have been completed.

3. **Designation of Coordinated Election Official.** The Parties agree that the County Clerk shall serve as the “Coordinated Election Official” for the Election. As the Coordinated Election Official, the County Clerk shall conduct the Election on behalf of the Jurisdiction and shall be responsible for performing such duties as are assigned to a Coordinated Election Official under Applicable Law, except to the extent specifically modified herein.

4. **Designation of Liaisons.**

   a. Each Party designates the individuals listed below as its liaison and alternate liaison hereunder.

<table>
<thead>
<tr>
<th>County Clerk Liaison</th>
<th>Alternate County Clerk Liaison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cynthia Rasor</td>
<td>Cody Swanson</td>
</tr>
<tr>
<td>Jefferson County Elections Division</td>
<td>Jefferson County Elections Division</td>
</tr>
<tr>
<td>3500 Illinois Street, Suite 1100</td>
<td>3500 Illinois Street, Suite 1100</td>
</tr>
<tr>
<td>Golden CO, 80401</td>
<td>Golden CO, 80401</td>
</tr>
<tr>
<td>Direct Phone: (303) 271-8115</td>
<td>Direct Phone: (303) 271-8108</td>
</tr>
<tr>
<td>Office Phone: (303) 271-8111</td>
<td>Office Phone: (303) 271-8111</td>
</tr>
<tr>
<td>Email: <a href="mailto:logistics@jeffco.us">logistics@jeffco.us</a></td>
<td>Email: <a href="mailto:cswanson@jeffco.us">cswanson@jeffco.us</a></td>
</tr>
</tbody>
</table>
### Jurisdiction Liaison

<table>
<thead>
<tr>
<th>NAME</th>
<th>TITLE/OFFICE</th>
<th>ADDRESS</th>
<th>CITY, STATE, ZIP CODE</th>
<th>Direct Phone: NUMBER</th>
<th>Office Phone: NUMBER</th>
<th>Email: EMAIL ADDRESS</th>
</tr>
</thead>
</table>

### Alternate Jurisdiction Liaison

<table>
<thead>
<tr>
<th>NAME</th>
<th>TITLE/OFFICE</th>
<th>ADDRESS</th>
<th>CITY, STATE, ZIP CODE</th>
<th>Direct Phone: NUMBER</th>
<th>Office Phone: NUMBER</th>
<th>Email: EMAIL ADDRESS</th>
</tr>
</thead>
</table>

b. The County Clerk Liaison shall act as the County Clerk’s primary liaison with the Jurisdiction for the Election and shall have primary responsibility for performance of the County Clerk’s obligations hereunder. In the event the Jurisdiction needs immediate assistance and the Election Liaison is unavailable, the Jurisdiction shall contact the Alternate County Clerk Liaison.

c. The Jurisdiction Liaison shall act as the Jurisdiction’s primary liaison with the County Clerk for the Election and shall have primary responsibility for the performance of the Jurisdiction’s obligations hereunder. In the event the County Clerk needs immediate assistance and the Jurisdiction Liaison is unavailable, the County Clerk shall contact the Alternate Jurisdiction Liaison.

5. **Notices.** All correspondence and notices required to be given under this Agreement shall be delivered to the Parties’ respective liaisons identified above at the addresses listed above and shall be deemed received: (1) three days after the same is mailed by first class, certified mail; (2) immediately upon hand delivery; or (3) immediately upon email transmission, if transmitted on a business day and during normal business hours of the recipient, and otherwise on the next business day following transmission.

6. **Mail Ballot Election.** The Election shall be held on November 3, 2020 (“Election Day”) and shall be conducted as a mail ballot election in accordance with the procedures of the Mail Ballot Election Act, C.R.S. § 1-7.5-101, et seq.

7. **Jurisdictional Limitation.** If the Jurisdiction encompasses territory outside of Jefferson County, Colorado, this Agreement shall be construed to apply only to that portion of the Jurisdiction that falls within Jefferson County.
8. **Responsibilities of the Parties.** The Jurisdiction and County Clerk shall perform the following responsibilities in connection with the preparation for, and conduct of, the Election, in accordance with the terms of this Agreement and Applicable Law:

a. **Execution and Documentation of Authority.** On or before August 25, 2020 the Jurisdiction shall email the County Clerk:
   i. a PDF of this Agreement validly executed by the Jurisdiction; and
   ii. a copy of a duly-passed resolution stating that the Jurisdiction will coordinate with the County Clerk in the Election in accordance with the terms of this Agreement and the Uniform Election Code and authorizing the Jurisdiction to enter into this Agreement. The email shall be sent to logistics@jeffco.us.

b. **Election Preparation and Support**
   i. **VSPCs.** The County Clerk shall establish, staff, equip and operate all Voter Service Polling Centers.
   ii. **Election Judges.** The County Clerk shall engage, train and coordinate the scheduling of all election judges.
   iii. **Equipment and Supplies.** The County Clerk shall obtain all necessary equipment and supplies to conduct the Election, including all voting equipment, ballots and forms.
   iv. **Ballot Boxes.** The County Clerk shall establish, maintain, and collect ballots from all Ballot Boxes.
      1) The Jurisdiction shall not take any action that would prevent voters from accessing any Ballot Box twenty-four hours per day during the period beginning September 29, 2020 and ending November 18, 2020.
   v. **Ballot Counting Process.** The County Clerk shall (1) establish, staff, equip and operate a centralized ballot counting location for the Election, (2) establish ballot counting procedures for the Election; and (3) establish backup ballot counting procedures and sites for ballot counting in the event its ballot counting equipment fails during the Election.
   vi. **Voter Support.** The County Clerk shall provide telephone and in-person support to voters during the early voting period and from 7:00 a.m. to 7:00 p.m. on Election Day.
   vii. **Election Notices.** The County Clerk shall publish all Election notices required by Applicable Law.
      1) The Jurisdiction shall not publish any notice related to the Election without first obtaining the approval of the County Clerk. To request approval to publish a notice the Jurisdiction shall provide the County Clerk with all relevant information related to the proposed publication, including a copy of
the proposed notice, at least one (1) week prior to the Jurisdiction’s deadline for submitting the proposed notice to the publisher. The Jurisdiction shall bear full responsibility for any Election notices published without the County Clerk’s approval and shall comply with all instructions issued by the County Clerk to remedy any incorrect or improper notices.

c. **Logic and Accuracy Test.** The County Clerk shall prepare for and conduct the Logic and Accuracy Test (“LAT”).

1) If the Jurisdiction chooses to attend and observe the LAT for the Election, the Jurisdiction Liaison shall submit the name of the Jurisdiction’s observer in writing to the County Clerk on or before 5:00 p.m. on September 18, 2020. If the Jurisdiction fails to meet this deadline, the County Clerk shall deem the failure to be a decision by the Jurisdiction not to observe the LAT and will act on behalf of the Jurisdiction, as appropriate.

d. **Certification of Jurisdiction Ballot Measures.** The Jurisdiction shall be responsible for certifying, and for taking all actions required by Applicable Law to certify, any Ballot Measures included on the Jurisdiction’s ballot certification (including both Ballot Measures referred by the Jurisdiction itself and citizen-initiated Ballot Measures affecting the Jurisdiction).

e. **Ballot Preparation**

i. No later than 3:00 p.m. on September 4, 2020, the Jurisdiction shall electronically submit its ballot certification to the County Clerk via text document (preferably Microsoft Word – no PDF). If the Jurisdiction fails to submit the ballot certification by the above deadline, the ballot certification may not be accepted by the County Clerk.

1) The Jurisdiction’s ballot certification shall include all of the races, candidates and contests that will be presented to the Jurisdiction’s voters in the Election, including the text of all Ballot Measures, in the exact order that they need to appear on the ballot.

2) The ballot certification shall not be embedded in an email and shall not contain any extraordinary (unique) formatting. Examples of extraordinary (unique) formatting not permitted in the ballot certification include, but are not limited to: (a) text boxes; (b) charts; (c) spreadsheets; (d) strikeouts; (e) bolding; and (f) symbols.

3) The Jurisdiction shall proofread the language of any Ballot Measures that appear in the ballot certification prior to sending it to the County Clerk for initial text lay out. **The Jurisdiction shall be solely responsible for ensuring the legality and accuracy of all Ballot Measure language.**
4) The Jurisdiction shall not assign a ballot number to any Ballot Measure. The County Clerk shall determine the numbering of all Ballot Measures and will provide the Jurisdiction with the ballot number after ballot certification.

ii. Upon receipt of the ballot certification from the Jurisdiction, the County Clerk will:
   1) Consolidate the ballot certification content received from all Jurisdictions and organize it into the structure in which it will appear on the printed ballot(s);
   2) Determine the numbering of all Ballot Measures; and
   3) Provide a document containing the Jurisdiction’s final draft ballot printing layout and text to the Jurisdiction, with instructions to perform a final review and provide final approval by a date set forth in the instructions.
   4) The County Clerk reserves the right to change the content of the Jurisdiction’s ballot certification (other than candidate name/ballot question content) in order to ensure ballot consistency.

iii. Upon receipt of the final draft ballot layout from the County Clerk, the Jurisdiction shall perform a final review and proofread of the ballot layout and provide final approval to the County Clerk by the deadline included in the instructions sent to the Jurisdiction.

iv. On or before October 16, 2020, the County Clerk shall print and mail the initial wave of ballots to each address in Jefferson County at which one or more active, registered Jefferson County voter resides, together with voter instructions, outgoing envelope, return envelope and any other items required by Applicable Law.

v. From October 16, 2020 through the 8-day registration cutoff, the County Clerk shall mail supplemental ballots to active, registered Jefferson County voters who were not included in the initial mailing.

f. Preparation of Minority Language Sample Ballots and Notice Packets
   i. The County Clerk may, in its discretion, prepare (1) sample ballots containing all of the races, candidates and contests available to Jefferson County voters translated into languages other than English, and/or (2) Notice Packets containing all of the Ballot Issue Notices available to Jefferson County voters translated into languages other English, and make such sample ballots and Notice Packets available to Jefferson County voters on the County Clerk’s public website, at Voter Service Polling Centers, and at such other locations as the County Clerk determines.

   ii. If the County Clerk prepares minority language sample ballots and/or Notice Packets, the County Clerk will (1) have the translations performed by professional translators; and (2) provide the Jurisdiction with a copy of its translated ballot and Notice Packet content, upon request.

   iii. If the County Clerk prepares minority language sample ballots and/or Notice Packets, the County Clerk shall have the discretion to determine the language(s),
format and content of the minority language sample ballot(s) and Notice Packet(s), provided the County Clerk complies with Applicable Law.

iv. The Jurisdiction agrees to release the County Clerk from all claims it may have relating to the County Clerk’s translation of the Jurisdiction’s ballot and Notice Packet content (including, without limitation, all claims relating to the accuracy of the translation) provided that the County Clerk (a) has the translation performed by a professional translator qualified to translate the content; and (b) otherwise complies with Applicable Law.

g. **Ballot Counting / Result Reporting**

i. The County Clerk shall count all ballots received during the Election voting period.

ii. Between 7:00 p.m. and 8:00 p.m., and between 8:00 p.m. and 9:00 p.m., on Election Day, the County Clerk shall upload unofficial Election results to the Election Night Reporting (“ENR”) system (unless the Secretary of State waives or modifies these deadlines).

iii. Upon completion of the Election Canvass on November 25, 2020, the County Clerk shall upload a Jurisdiction-wide summary of the official Election results to the ENR system.

iv. On December 4, 2020 if there is a recount affecting the County, or on December 15, 2020 if there is not a recount affecting the County, the County Clerk shall upload official Precinct or District-level Election results to its public website and make these results available to the Jurisdiction upon request.

h. **Election Audit.** On or before November 24, 2020, the County Clerk, in collaboration with the Election audit board(s), shall conduct, assist and oversee the Election Audit.

i. If the Jurisdiction chooses to attend and observe the Election Audit, the Jurisdiction shall submit the name of the Jurisdiction’s observer to the County Clerk on or before 5:00 p.m. on October 13, 2020. If the Jurisdiction fails to meet this deadline, the County Clerk shall deem the failure to be a decision by the Jurisdiction not to observe the Election Audit and will act on behalf of the Jurisdiction, as appropriate.

i. **Election Canvass.** On or before November 25, 2020, the County Clerk shall instruct and oversee the board of canvassers, who are responsible for conducting an Election Canvass and certifying the official abstract of votes cast for all candidates and Ballot Measures in the Election.

i. If the Jurisdiction chooses to attend and observe the Election Canvass, the Jurisdiction shall submit the name of the Jurisdiction’s representative to the County Clerk on or before 5:00 p.m. on October 13, 2020. If the Jurisdiction fails to meet this deadline, the County Clerk shall deem the failure to be a decision by the Jurisdiction not to observe the Election Canvass and will act on behalf of the Jurisdiction, as appropriate.
j. **Election Recount.** The County Clerk shall conduct an Election recount, if required by Applicable Law.

9. **Duties Subject to Jurisdiction Performance.** The responsibility of the County Clerk to perform the duties set forth above are contingent upon the Jurisdiction’s performance of its own duties hereunder. The County Clerk shall not be responsible for failing to meet any deadlines for mailing the Notice Packet if such failure was caused by the Jurisdiction’s failure to timely submit the required information in a form required by this Agreement and Applicable Law.

10. **Compliance with Deadlines.** The County Clerk may provide the Jurisdiction with a schedule of Election-related dates and deadlines. If the County Clerk provides such a schedule, the Jurisdiction shall comply with the deadlines included therein.

11. **Withdrawal/Cancellation**
   a. The Jurisdiction may cancel an election of persons to office or withdraw a Ballot Measure only as permitted by Applicable Law.
   b. If the Jurisdiction resolves to cancel an election to office or withdraw a Ballot Measure, the Jurisdiction shall do the following:
      i. Provide the County Clerk with written notice of such determination immediately;
      ii. Provide public notice by publication of such cancellation or withdrawal as required by Applicable Law; and
      iii. Pay the County Clerk its actual costs incurred in connection with the cancelled election or withdrawn Ballot Measure, which may include costs incurred by the County Clerk both before and after receipt of the Jurisdiction’s notice of cancellation or withdrawal. Such payment shall be due within thirty (30) days after the Jurisdiction’s receipt of an invoice from the County Clerk for such payment.

12. **Recordkeeping.** The County Clerk shall store all Election records, including but not limited to all voted and unvoted ballots, voter affidavits, and Election Canvass and results reports.

13. **Use and Confidentiality of Voter Records.** The Jurisdiction shall be responsible for ensuring that any voter records received by the Jurisdiction are used for the sole purpose of performing its duties described herein. The Jurisdiction shall ensure that all voter records are maintained in accordance with the requirements of Applicable Law, including, without limitation, the Colorado Open Records Act, C.R.S. §§ 24-72-200.1, et seq.

14. **Payment of Shared Election Costs.** The Jurisdiction shall reimburse the County Clerk for the Jurisdiction’s pro-rated share of the Shared Election Costs. The Jurisdiction’s share of the Shared Election Costs shall be calculated in accordance with the formulas set forth in Exhibit A to this Agreement. The Jurisdiction’s payment of its share of the Shared Election Costs shall be due within thirty (30) days after the Jurisdiction’s receipt of an invoice from the County Clerk for such payment. Any amount not paid by the above-referenced deadline will
be subject to an interest charge equal to (a) 1.5% per month; or (b) the highest rate permitted by law, whichever is lower.

15. **Miscellaneous Provisions**

a. **Amendment.** This Agreement may not be modified or amended except in writing signed by the Parties.

b. **Entire Agreement.** This Agreement and its exhibits constitute the entire agreement between the Parties as to the subject matter hereof and supersede all prior or contemporaneous agreements, proposals, negotiations, understandings, representations and all other communications, both oral and written, between the Parties.

c. **Indemnification.** The Parties understand and agree that liability for claims for injuries to persons or property arising out of the acts or omissions of either party is controlled and limited by the Colorado Constitution, the Colorado Governmental Immunity Act (C.R.S. § 24-10-101, et seq.) and the Risk Management Act (C.R.S. § 24-30-1501, et seq.). Each party shall be responsible for any and all claims incurred as a result of any alleged act or omission of the said party and its employees, which occurred or is alleged to have occurred during the performance of their duties within the scope of their employment, except where such acts or omissions are willful and wonton.

d. **Conflict with Law.** In the event that any provision in this Agreement conflicts with Applicable Law, this Agreement shall be modified to conform thereto.

e. **Time of Essence.** Time is of the essence in the performance of this Agreement. Any deadlines or other time limits set forth in Applicable Law shall apply to completion of the tasks required by this Agreement.

f. **No Third-Party Beneficiaries.** Enforcement of the terms and conditions of this Agreement and all rights of action relating to such enforcement shall be strictly reserved to the Parties, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other person or entity not a party to this Agreement.

g. **Further Assurances.** The Parties shall execute any other documents and to take any other action necessary to carry out the intent of this Agreement.

h. **Governing Law; Jurisdiction & Venue.** This Agreement and the rights of the Parties under it will be governed by, and construed in accordance with, the laws of the State of Colorado, without regard to the conflicts of laws and rules of Colorado. The courts of the State of Colorado shall have sole and exclusive jurisdiction of any disputes or litigation arising under this Agreement. Venue for any and all legal actions arising under this Agreement shall lie in the District Court in and for the County of Jefferson, State of Colorado.

i. **Headings.** The section headings in this Agreement are for reference only and shall not affect the interpretation or meaning of any provision of this Agreement.
j. **Severability.** If any provision of this Agreement is declared by a court of competent jurisdiction to be invalid, void or unenforceable, such provision shall be deemed to be severable, and all other provisions of this Agreement shall remain fully enforceable, and this Agreement shall be interpreted in all respects as if such provision were omitted.

k. **Immunities Preserved.** It is the intention of the Parties that this Agreement shall not be construed as a contractual waiver of any immunities or defenses provided by the Colorado Governmental Immunities Act, § 24-10-101, C.R.S., et seq.

l. **Execution by Counterparts; Electronic Signatures.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The Parties approve the use of electronic signatures for execution of this Agreement. All documents must be properly notarized, if applicable. All use of electronic signatures shall be governed by the Uniform Electronic Transactions Acts, C.R.S. §§ 24-71.3-101 to -121.

[The remainder of this page is intentionally left blank.]
The Parties hereto have signed this Agreement as of the date indicated below.

**JURISDICTION:**

By: ................................................
Name/Title: ........................................
Date: ................................................

**JURISDICTION LEGAL COUNSEL – OPTIONAL**

By: ................................................
Name/Title: ........................................
Date: ................................................

**COUNTY CLERK:**
CLERK AND RECORDER FOR THE
COUNTY OF JEFFERSON,
STATE OF COLORADO

By: ................................................
   George Stern, Jefferson County Clerk & Recorder
Date: ................................................

**APPROVED AS TO FORM:**

_____________________________________
Jean R. Biondi
Assistant County Attorney
EXHIBIT A

Shared Election Costs are divided into “TABOR Election Costs” and “Non-TABOR Election Costs.” TABOR Election Costs are the costs of printing and mailing Notice Packets and are allocated among only those jurisdictions that have Ballot Issues subject to TABOR, in accordance with Section I below. Non-TABOR Election Costs are all other Shared Election Costs and are allocated among all coordinating jurisdictions in accordance to Section II below.

Please note that the dollar amounts used in this Exhibit A are for illustration purposes only and do not reflect actual or estimated costs of the Election.

I. Allocation of TABOR Election Costs

This section only applies to Jurisdictions with Ballot Issues subject to TABOR.

The costs incurred by County Clerk during the Election for printing and mailing Notice Packets (the “TABOR Election Costs”) are allocated among jurisdictions that have Ballot Issues subject to TABOR as follows:

1. First, the County Clerk ascertains the total printing and mailing costs for each unique Notice Packet version.
   a. Example: The County Clerk incurred costs of $400 to print and mail Notice Packet Version 1.

2. Next, the County Clerk divides the printing and mailing costs for each unique Notice Packet version by the total number of jurisdictions that used that version.
   a. Example: Notice Packet Version 1 was used by four jurisdictions, so each of these jurisdictions is allocated one-quarter (¼) of the costs for Version 1, or $100 each.

3. Finally, the County Clerk calculates each jurisdiction’s total share of the TABOR Election Costs by adding up its allocated costs for each Notice Packet version that the jurisdiction used.
   a. Example: Jurisdiction C used three unique Notice Packet versions in the Election, and was allocated costs of $100, $250 and $350 for each version, respectively, so Jurisdiction C’s total share of the TABOR Election Costs equals $700.

II. Allocation of Non-TABOR Election Costs

All Shared Election Costs besides the costs of printing and mailing Notice Packets (the “Non-TABOR Election Costs”) are allocated among all coordinating jurisdictions as follows:

1. First, the County Clerk ascertains the total Non-TABOR Election Costs incurred during the Election.
   a. Example: The County Clerk incurred Shared Election Costs of $12,500 to administer the Election, of which $2,500 was incurred to print and mail Notice Packets, leaving a balance of $10,000 in Non-TABOR Election Costs.

2. Next, the County Clerk ascertains the number of voters who received each unique ballot style used in the Election.
a. Example: Utilizing a computer program, the County Clerk ascertains that Ballot Style 2 was delivered to 99 total voters.

3. Next, the County Clerk divides the number of voters who received each unique ballot style by the number of jurisdictions that used that ballot style.
   a. Example: Ballot Style 2 included content from the County, the State and Jurisdiction C, so the County, the State and Jurisdiction C are each allocated 33 voters for Ballot Style 2 (99 divided by 3).

4. Next, the County Clerk calculates each jurisdiction’s total number of voters by adding up the total number of voters allocated to the jurisdiction for all ballot styles.
   a. Example: Jurisdiction C had content on Ballot Styles 1, 2 and 3, and was allocated 50, 33 and 17 voters on each style, respectively, so Jurisdiction C is allocated a total of 100 voters (50 plus 33 plus 17) for all ballot styles.

5. Next, the County Clerk calculates the percentage of Non-TABOR Election Costs that each jurisdiction is responsible for by dividing that jurisdiction’s total voter allocation by the total number of voters who were provided ballots by the County Clerk in the Election.
   a. Example: The County Clerk provided ballots to a total of 10,000 voters in the Election, of which Jurisdiction C was allocated 100 total voters, so Jurisdiction C is responsible for 1% (100 divided by 10,000) of the Non-TABOR Election Costs.

6. Finally, the County Clerk calculates each jurisdiction’s share of the Non-TABOR Election Costs by multiplying its percentage responsibility by the total amount of Non-TABOR Election Costs incurred by the County.
   a. Example: Jurisdiction C’s share of the Non-TABOR Election Costs is 1% of the $10,000 total Non-TABOR Election Costs incurred by the County Clerk during the Election, or $100 ($10,000 multiplied by .01).

III. Calculation of Total Amount Due

1. The County calculates the total amount due from each coordinating jurisdiction by adding the Jurisdiction’s share of the Non-TABOR Election Costs to the Jurisdiction’s share of the TABOR Election costs (if the Jurisdiction had a Ballot Issue subject to TABOR). Each jurisdiction is assessed a minimum of $1,000, so if this total is less than $1,000, the jurisdiction would be assessed $1,000.
   a. Example: Jurisdiction C owes $700 in TABOR Election Costs and $100 in Non-TABOR Election Costs, which totals $800. Because this amount is less than the $1000 minimum, Jurisdiction C would be assessed a total of $1,000 in Shared Election Costs.
DATE OF COUNCIL MEETING: AUGUST 24, 2020 / AGENDA ITEM NO. 16

To: Mayor and City Council
From: Mary Ruther, Strategic Initiatives Manager, 303-987-7816
Subject: COVID-19 NONPROFIT IMPACT GRANT

SUMMARY STATEMENT: Per prior direction from City Council, the COVID-19 Nonprofit Impact Grant program is being brought back to City Council to authorize funding for the second round of grant opportunities.

BACKGROUND INFORMATION: At the May 11, 2020 City Council meeting, authorization was given for the creation of an emergency COVID-19 Impact Grant program to assist nonprofit organizations serving Lakewood residents (Ordinance 2020-15). Funds for the COVID-19 Nonprofit Impact Grant were authorized from the City’s appropriation of funds distributed by Jefferson County from the CARE’s Act. City Council decided to make this grant opportunity available over two (2) rounds. City Council initially authorized the expenditure of $375,000 for the first round.

BUDGETARY IMPACTS: The anticipated budget impact for second round funding is $375,000 from the CARE’s Act. Per City Council’s initial direction, this money has already been earmarked for this purpose.

STAFF RECOMMENDATIONS: Staff recommends that City Council approve $375,000 for the second round COVID-19 Nonprofit Impact Grant program. The challenges as a result of COVID-19 continue to impact nonprofit organizations and their ability to provide support and assistance to Lakewood residents.

ALTERNATIVES: An alternative would be that City Council not authorize a second round of funding or authorize a different amount of funding for the COVID-19 Nonprofit Impact grant.

PUBLIC OUTREACH: This item has been promoted through the City’s regular communication channels for matters that appear before City Council

NEXT STEPS: If approved, the grant opportunity will be opened in mid-September for two weeks.

ATTACHMENTS: Resolution 2020-33
City Council COVID-19 Impact Grant program update sent on June 11, 2020
Exhibit A

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

AUTHORIZING A SECOND ROUND OF FUNDING FOR THE COVID-19 IMPACT GRANT PROGRAM IN THE AMOUNT OF $375,000

WHEREAS, on May 11, 2020, the Lakewood City Council adopted Ordinance O-2020-15 as an emergency ordinance, which created the COVID-19 Impact Grant Program (the “Program”) and authorized a supplemental appropriation therefor in the amount of $375,000, as well as the expenditure of such funds, with the stated intention of providing a second round of funding for the Program at a later date;

WHEREAS, on June 8, 2020, the City Council adopted Ordinance O-2020-17, which authorized a supplemental appropriation in the amount of $12,312,019 in funds distributed by Jefferson County from the Coronavirus Relief Fund (the “CRF Funds”) and authorizing the expenditure thereof;

WHEREAS, non-profit organizations continue to respond to COVID-19-related impacts affecting the Lakewood community, thereby lessening the burden on City resources and staff;

WHEREAS, providing financial support for such work remains a City Council priority;

WHEREAS, the City Council desires to establish the amount for the “second round” of funding for the Program in the amount of $375,000, in accordance with the guidelines attached as Exhibit A to Ordinance O-2020-15;

WHEREAS, because Ordinance O-2020-17 appropriated the CRF Funds and authorized the City Manager to expend those funds in accordance with the requirements, guidance and limitations established by Jefferson County and the Federal government, no additional appropriation is required; and

WHEREAS, the City Council hereby finds and determines that authorizing this funding is and shall be in the best interest of the residents of the City.

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

SECTION 1. A second round of funding for the COVID-19 Impact Grant Program is hereby approved in the amount of Three Hundred Seventy-five Thousand dollars ($375,000).

SECTION 2. The City Manager is hereby directed to make COVID-19 Impact Grant applications available on the City’s website in mid-September, 2020. The City shall thereafter accept and approve COVID-19 Impact Grant applications in accordance with Exhibit A to Ordinance O-2020-15.

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 August 24, 2020, at 7 o'clock p.m.

__________________________
Adam Paul, Mayor

ATTEST:

__________________________
Michele Millard, City Clerk

APPROVED AS TO FORM:

__________________________
Timothy P. Cox, City Attorney
Good afternoon Mayor and City Council,

Emily Andrews, Resource Development Supervisor, coordinated the recent COVID-19 Nonprofit Impact Grant Program and is submitting the update below to Mayor and City Council on the process and outcome:

The COVID 19 Nonprofit Impact Grant Program was opened to nonprofit organizations for proposals on May 13, 2020 and closed on May 27, 2020. Lakewood City Council approved a total allocation of $375,000 for this first round of funding and the program received 40 grant proposals totaling $634,632 in funding requests. The Evaluation Committee met on June 2, 2020 to review and rate proposals and identified 24 organizations to receive funding based on their work to provide COVID-19 impact relief to Lakewood residents.

As a reminder, the following criteria and guidelines were communicated to nonprofit organizations for grant proposals:

- Grant request is for goods and/or a service provision (with no funds granted for personnel expenses)
- Proposed service and/or purchase of goods must demonstrate relief for Lakewood residents as a result of the COVID-19 outbreak
- Clear understanding and demonstration that funds will be used to enhance capacity or augment efforts already being conducted by the organization related to COVID-19 relief
- Demonstration that Lakewood residents will be the recipients of services/goods through grant funds awarded
- Clear goals and impact measures
- Reasonable program costs and funds requested

Attached, please find a summary of the nonprofit organizations receiving a grant award and the amount of funding.

Checks are expected to be distributed to nonprofit organizations the week of June 15th. Nonprofit organizations will submit a grant report on the use of funds received upon completion of the project.

If you have additional questions, please contact Emily Andrews at emiand@lakewood.org. Thank you.
<table>
<thead>
<tr>
<th>Applicant</th>
<th>Committee’s Funded Amount</th>
<th>How will grant dollars be used?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Archway Housing &amp; Services, Inc.</td>
<td>$ 15,000.00</td>
<td>To boost food bank services, personal protective equipment for residents and staff as well as rental assistance for Archway residents in Lakewood.</td>
</tr>
<tr>
<td>CASA of Jefferson and Gilpin Counties</td>
<td>$ 15,000.00</td>
<td>To purchase grocery gift cards to distribute to Lakewood families serviced by CASA; and to provide activities and school supplies. With most parks and attractions closed, activities will give children something to do, which will help relieve stress on parents and caretakers.</td>
</tr>
<tr>
<td>Concordia Lutheran Church</td>
<td>$ 15,000.00</td>
<td>To purchase food for distribution to the Green Mountain families identified through Foothills Foodies, Jeffco Public Schools, Concordia Lutheran Church and other religious and non-profit organizations. Food delivery will also be provided to those who cannot pickup the food at distribution locations.</td>
</tr>
<tr>
<td>Court Support Jeffco</td>
<td>$ 5,000.00</td>
<td>To provide housing assistance for homeless veterans, juveniles &amp; families; to purchase bus passes to get to/from treatment &amp; gift cards for groceries; to assemble veteran street bags (distributed by LPD) with hygiene products, masks, and anti-bacterial wipes; and to assist with co-pays for mental health evaluations/treatment.</td>
</tr>
<tr>
<td>Eaton Senior Communities Foundation</td>
<td>$ 20,800.00</td>
<td>To provide the PPE and sanitation supplies for 10 months of supplies related to COVID-19 prevention for the community.</td>
</tr>
<tr>
<td>Edgewater Collective</td>
<td>$ 10,000.00</td>
<td>To provide pop-up lunch sites at specific apartment complexes in the 80214 zip code area, in order to bring lunch and other resources directly to families homes.</td>
</tr>
<tr>
<td>Family Promise of Greater Denver</td>
<td>$ 12,000.00</td>
<td>To shelter homeless families in hotels for one month. Funding ensures that eight families can access shelter, showers, meals, and supportive services.</td>
</tr>
<tr>
<td>Family Tree</td>
<td>$ 4,500.00</td>
<td>To help cover transportation costs (bus tickets, gas vouchers) and food assistance, to families who need help.</td>
</tr>
<tr>
<td>Gold Crown Foundation</td>
<td>$ 30,000.00</td>
<td>To purchase grocery gift cards for families in need, to support Jeffco Eats, and to support the continuation of sanitation efforts.</td>
</tr>
<tr>
<td>Jeffco Eats</td>
<td>$ 30,000.00</td>
<td>To purchase food and supplies for children, families, and seniors in Lakewood.</td>
</tr>
<tr>
<td>Jefferson Center for Mental Health</td>
<td>$ 19,790.00</td>
<td>To support services including outpatient counseling (individual, family, and group), 24-hour emergency services, hospital-alternative programs, case management, access to inpatient facilities and school-based counseling; and other family supports.</td>
</tr>
<tr>
<td>JUUST Living, Inc.</td>
<td>$ 5,000.00</td>
<td>To stabilize the organization due to financial repercussions from COVID-19 and to provide supplies, resident support, recovery coaching, supplemental food, transportation assistance, building maintenance and repair.</td>
</tr>
<tr>
<td>Kiwanis Club of Alameda West Foundation</td>
<td>$ 14,500.00</td>
<td>To support Jeffco Eats with food for families in the Bear Creek and Alameda High School areas. Benefits in Action will provide support of food delivery. Packets including crayons, markers, puzzles, paper, and other supplies of activities for approximately 400 children grades K-4 will also be provided.</td>
</tr>
<tr>
<td>Kiwanis Club of Belmar Foundation</td>
<td>$ 14,988.00</td>
<td>To pay off the school lunch debt at Alameda Jr/Sr High School, Deane, Lasley, Emory and Rose Stein Elementary schools.</td>
</tr>
<tr>
<td>Mean Street Ministries</td>
<td>$ 25,000.00</td>
<td>To restock the food bank with staples. Fresh vegetables, fruit, dairy products, and frozen foods will also be purchased.</td>
</tr>
<tr>
<td>River Church</td>
<td>$ 19,500.00</td>
<td>To replenish the food bank with purchase of food from Foodbank of the Rockies.</td>
</tr>
<tr>
<td>Severe Weather Network</td>
<td>$ 24,000.00</td>
<td>To provide PPE, sanitizer, cleaning supplies and basic health evaluation tools to Hosting &amp; Warming sites in Lakewood by partnering with Stride and other health agencies, which ensures anyone who has symptoms of COVID-19 or other infectious disease will be seen by a medical professional.</td>
</tr>
<tr>
<td>Organization</td>
<td>Amount</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>--------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>South Jeffco Rotary Club</td>
<td>$6,482.00</td>
<td>To prepare meals for people in need using ten local restaurants to prepare food. This will be facilitated through a partnership with Benefits in Action.</td>
</tr>
<tr>
<td>Sprout City Farms</td>
<td>$3,560.00</td>
<td>To support Mountair Park Community Farm (MAP) focusing on operations to expand by 20% and provide as much food as possible.</td>
</tr>
<tr>
<td>The Action Center</td>
<td>$50,000.00</td>
<td>To support administration of a &quot;Lakewood Community Cares Action Fund,&quot; a bill assistance service for Lakewood residents who are experiencing financial hardships due to COVID-19 that could undermine their self sufficiency.</td>
</tr>
<tr>
<td>The Chanda Plan Foundation</td>
<td>$3,880.00</td>
<td>To support Chanda Center for Health's ability to re-open and ensure implementation of strict safety protocols including: PPE (surgical masks and gloves), plexiglass shield for front desk, increased janitorial services, and thermometers for screening staff, providers and participants.</td>
</tr>
<tr>
<td>The Golden Backpack Program</td>
<td>$5,000.00</td>
<td>To support the Summer Lunch Program to children who attend Welchester Elementary (Title 1 School) (3 days/week plus a weekend sack day on Fridays), by partnering with local restaurants &amp; caterers. Also, to provide mental health kits for these children through books, art kits, soccer balls and other stress relievers.</td>
</tr>
<tr>
<td>The Zara Project</td>
<td>$25,000.00</td>
<td>To provide support to families suffering from food insecurity due to COVID-19 in Title 1 schools selected by school administration. Targeted elementary schools include Emory, Molholm, Rose Stein, Deane, Eiber, Lasley and also included is Alameda High School.</td>
</tr>
<tr>
<td>Westgate Elementary</td>
<td>$1,000.00</td>
<td>To purchase food for families in need over the 2020 summer. Also to purchase grocery gift cards for families that need essential baby supplies as well as gas for transportation.</td>
</tr>
</tbody>
</table>

**TOTAL REQUEST AMOUNT:** $375,000.00
EXHIBIT A

CITY OF LAKEWOOD COVID-19 IMPACT GRANT PROGRAM

Purpose/Objective: The City of Lakewood desires to offer a one-time grant opportunity to non-profit organizations working to respond to COVID-19 related impacts affecting the Lakewood community.

Guidelines:
- COVID-19 Impact Grants will only be considered for the purchase of goods and supplies, or to assist with provision of services. Funds cannot be used for personnel expenses.
- The COVID-19 Impact Grant Program application and evaluation process will closely follow the structure established for the annual Lakewood Community Grant Program (see below).
- Lakewood Community Grant Program evaluation committee members will review and score COVID-19 Impact Grant Program applications.
- COVID-19 Impact Grant Program applications will be made available via the City’s website immediately following City Council approval of the COVID-19 Impact Grant Program and will be open for two weeks.

Eligibility Criteria for Non-Profit Organizations:
- Have a principal place of business in Jefferson County, Colorado
- Be registered as a Colorado non-profit organization with the Colorado Secretary of State and be organized in the state of Colorado
- Have a current certificate of good standing from the Colorado Secretary of State
- Have 501(c)(3) non-profit status
- Have been in operation continuously for three (3) or more years
- Must be able to spend funds in accordance with the requirements of the CARES Act

Evaluation Criteria:
- Grant applications must be for goods and/or provision of one or more services (no funds will be granted for personnel expenses)
- The proposed service(s) and/or purchase of goods must demonstrate relief for Lakewood residents as a result of the COVID-19 outbreak
- Clear understanding and demonstration that funds will be used to enhance capacity or augment efforts already being conducted by the organization related to COVID-19 relief
- Demonstration that Lakewood residents will be the recipients of the services/goods through grant funds awarded
- Clear goals and impact measures
- Reasonable program costs and funds requested
STAFF MEMO

DATE OF COUNCIL MEETING: JULY 27, 2020 / AGENDA ITEM NO. 6
CONTINUED TO: AUGUST 10, 2020 / AGENDA ITEM NO. 9
CONTINUED TO: AUGUST 24, 2020 / AGENDA ITEM NO. 17

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/low 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/low 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 applications 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).

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 of 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

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 taxes\(^1\) 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\(^1\)

\(^1\) 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. 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**

![Graph showing employment changes from 1969 to 2016.](source)

**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**

Source: CDLE; BLS; BEA; Economic & Planning Systems

H:\163063-Lakewood Housing Study\Data\163063-BLS BEA Employment Pop.xlsx
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>
<th>Industry</th>
<th>2001</th>
<th>2016</th>
<th>Total Δ</th>
<th>Ann. Δ</th>
<th>Ann. %</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-County MSA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<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>
</tr>
<tr>
<td>21 Mining, quarrying, and oil and gas extraction</td>
<td>6,810</td>
<td>14,841</td>
<td>8,031</td>
<td>535</td>
<td>5.33%</td>
</tr>
<tr>
<td>22 Utilities</td>
<td>4,450</td>
<td>4,698</td>
<td>248</td>
<td>17</td>
<td>0.36%</td>
</tr>
<tr>
<td>23 Construction</td>
<td>105,537</td>
<td>101,182</td>
<td>-4,355</td>
<td>-172</td>
<td>-0.31%</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>
</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>
</tr>
<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>
</tr>
<tr>
<td>48-49 Transportation and warehousing</td>
<td>62,244</td>
<td>59,983</td>
<td>-2,261</td>
<td>-151</td>
<td>-0.25%</td>
</tr>
<tr>
<td>51 Information</td>
<td>83,697</td>
<td>55,222</td>
<td>-28,475</td>
<td>-1,834</td>
<td>-2.90%</td>
</tr>
<tr>
<td>52 Finance and insurance</td>
<td>77,145</td>
<td>81,864</td>
<td>4,719</td>
<td>315</td>
<td>0.28%</td>
</tr>
<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>
</tr>
<tr>
<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>
</tr>
<tr>
<td>55 Management of companies and enterprises</td>
<td>15,048</td>
<td>32,866</td>
<td>17,818</td>
<td>1,188</td>
<td>5.35%</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>0.68%</td>
</tr>
<tr>
<td>51 Educational services</td>
<td>51,427</td>
<td>78,931</td>
<td>27,504</td>
<td>1,934</td>
<td>2.90%</td>
</tr>
<tr>
<td>62 Health care and social assistance</td>
<td>117,838</td>
<td>190,586</td>
<td>72,748</td>
<td>4,850</td>
<td>3.26%</td>
</tr>
<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>
</tr>
<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>
</tr>
<tr>
<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>
</tr>
<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>
</tr>
<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>1.54%</td>
</tr>
</tbody>
</table>

City of Lakewood

<table>
<thead>
<tr>
<th>Industry</th>
<th>2001</th>
<th>2016</th>
<th>Total Δ</th>
<th>Ann. Δ</th>
<th>Ann. %</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 Agriculture, forestry, fishing and hunting</td>
<td>1</td>
<td>84</td>
<td>83</td>
<td>6</td>
<td>31.79%</td>
</tr>
<tr>
<td>21 Mining, quarrying, and oil and gas extraction</td>
<td>69</td>
<td>129</td>
<td>60</td>
<td>4</td>
<td>4.26%</td>
</tr>
<tr>
<td>22 Utilities</td>
<td>122</td>
<td>285</td>
<td>163</td>
<td>11</td>
<td>5.83%</td>
</tr>
<tr>
<td>23 Construction</td>
<td>3,325</td>
<td>3,518</td>
<td>193</td>
<td>13</td>
<td>0.38%</td>
</tr>
<tr>
<td>31-33 Manufacturing</td>
<td>1,944</td>
<td>3,423</td>
<td>1,480</td>
<td>446</td>
<td>3.28%</td>
</tr>
<tr>
<td>42 Wholesale trade</td>
<td>1,265</td>
<td>1,113</td>
<td>-152</td>
<td>-10</td>
<td>-0.85%</td>
</tr>
<tr>
<td>44-45 Retail trade</td>
<td>8,636</td>
<td>10,290</td>
<td>1,654</td>
<td>110</td>
<td>1.85%</td>
</tr>
<tr>
<td>48-49 Transportation and warehousing</td>
<td>748</td>
<td>1,036</td>
<td>288</td>
<td>19</td>
<td>2.19%</td>
</tr>
<tr>
<td>51 Information</td>
<td>2,058</td>
<td>1,534</td>
<td>-524</td>
<td>-35</td>
<td>-1.94%</td>
</tr>
<tr>
<td>52 Finance and insurance</td>
<td>4,057</td>
<td>2,870</td>
<td>-1,188</td>
<td>-79</td>
<td>-2.28%</td>
</tr>
<tr>
<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>
</tr>
<tr>
<td>54 Professional and technical services</td>
<td>6,304</td>
<td>7,898</td>
<td>1,594</td>
<td>106</td>
<td>1.51%</td>
</tr>
<tr>
<td>55 Management of companies and enterprises</td>
<td>720</td>
<td>1,116</td>
<td>396</td>
<td>26</td>
<td>2.96%</td>
</tr>
<tr>
<td>56 Administrative and waste services</td>
<td>6,171</td>
<td>6,874</td>
<td>704</td>
<td>47</td>
<td>0.72%</td>
</tr>
<tr>
<td>61 Educational services</td>
<td>845</td>
<td>2,122</td>
<td>1,277</td>
<td>86</td>
<td>3.61%</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>
</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>
</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>
</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>
</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>
</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>
</tr>
</tbody>
</table>

Source: BLS; Economic & Planning Systems
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)\(^4\), 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 (\Delta) (2001-2016)</th>
<th>Location Quotient (2001)</th>
<th>Location Quotient (2016)</th>
<th>MSA Annual % (\Delta)</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>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry in Lakewood shrank, but didn't lose proportionally as much as MSA</th>
<th>Location Quotient (2001)</th>
<th>Location Quotient (2016)</th>
<th>MSA Annual % (\Delta)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td>-524</td>
<td>0.54</td>
<td>0.57</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry in Lakewood grew, but didn't grow proportionally to the MSA</th>
<th>Annual Employment (\Delta) (2001-2016)</th>
<th>Location Quotient (2001)</th>
<th>Location Quotient (2016)</th>
<th>MSA Annual % (\Delta)</th>
</tr>
</thead>
<tbody>
<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>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry in Lakewood shrank, and lost proportionally more than the MSA</th>
<th>Location Quotient (2001)</th>
<th>Location Quotient (2016)</th>
<th>MSA Annual % (\Delta)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale trade</td>
<td>-152</td>
<td>0.36</td>
<td>0.28</td>
</tr>
<tr>
<td>Arts, entertainment, and recreation</td>
<td>-80</td>
<td>0.77</td>
<td>0.50</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>-1,188</td>
<td>1.16</td>
<td>0.72</td>
</tr>
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\(^4\) 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. Milenials 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
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

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<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>
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</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>
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<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>
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</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>
<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>
<td></td>
</tr>
<tr>
<td>35 to 44 years</td>
<td>322,109</td>
<td>358,088</td>
<td>35,979</td>
<td>3,598</td>
<td>1.06%</td>
<td>25.5%</td>
<td>23.4%</td>
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<tr>
<td>45 to 54 years</td>
<td>297,993</td>
<td>332,643</td>
<td>34,650</td>
<td>3,465</td>
<td>1.11%</td>
<td>23.6%</td>
<td>21.7%</td>
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</tr>
<tr>
<td>55 to 59 years</td>
<td>104,289</td>
<td>138,218</td>
<td>33,929</td>
<td>3,393</td>
<td>2.86%</td>
<td>8.3%</td>
<td>9.0%</td>
<td></td>
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</tr>
<tr>
<td>60 and 61 years</td>
<td>23,870</td>
<td>50,269</td>
<td>26,399</td>
<td>2,640</td>
<td>7.73%</td>
<td>1.9%</td>
<td>3.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>62 to 64 years</td>
<td>26,730</td>
<td>53,655</td>
<td>26,925</td>
<td>2,693</td>
<td>7.22%</td>
<td>2.1%</td>
<td>3.5%</td>
<td></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>27,008</td>
<td>1.96%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
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</tr>
</tbody>
</table>

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</tr>
<tr>
<td>Generation Z ( Born 2001 or later)</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Millennials (Born 1981 to 2000)</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>
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</tr>
<tr>
<td>Generation X (Born 1965 to 1980)</td>
<td>511,855</td>
<td>557,674</td>
<td>45,818</td>
<td>4,582</td>
<td>0.86%</td>
<td>40.6%</td>
<td>36.4%</td>
<td></td>
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</tr>
<tr>
<td>Baby Boomers (Born 1946 to 1964)</td>
<td>531,126</td>
<td>375,199</td>
<td>-155,926</td>
<td>-15,593</td>
<td>-3.42%</td>
<td>42.1%</td>
<td>24.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Silents or before (Born 1945 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>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,281,922</td>
<td>1,532,004</td>
<td>270,082</td>
<td>27,008</td>
<td>1.96%</td>
<td>100.0%</td>
<td>100.0%</td>
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</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
H:\E3063-Lakewood Housing Study\Data\E3063-Employment by Age.xlsx|Table 1 - Gen Employment
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.” 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.

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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 17th 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*

Source: BEA, Economic & Planning Systems

---

**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 17th 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*

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>2000</th>
<th>2015</th>
<th>Total (\Delta)</th>
<th>Ann. (\Delta)</th>
<th>Ann. %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personal Consumption Expenditure</strong></td>
<td></td>
<td></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>
<td>$365,979</td>
<td>4.0%</td>
</tr>
<tr>
<td>Colorado ($ millions)</td>
<td>$119,329</td>
<td>$221,708</td>
<td>$102,379</td>
<td>$6,825</td>
<td>4.2%</td>
</tr>
<tr>
<td><strong>Gross Domestic (Regional) Product</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. ($ millions)</td>
<td>$10,219,801</td>
<td>$17,925,143</td>
<td>$7,705,342</td>
<td>$513,689</td>
<td>3.8%</td>
</tr>
<tr>
<td>Colorado ($ millions)</td>
<td>$181,488</td>
<td>$313,329</td>
<td>$131,841</td>
<td>$8,789</td>
<td>3.7%</td>
</tr>
<tr>
<td><strong>PCE as % of GDP/GRP</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>U.S.</td>
<td>66.4%</td>
<td>68.5%</td>
<td>---</td>
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</tr>
<tr>
<td>Colorado</td>
<td>65.8%</td>
<td>70.8%</td>
<td>---</td>
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</tr>
</tbody>
</table>

Source: BEA; Economic & Planning Systems

H:\E3063-Lakewood Housing Study\Data\E3063-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

Source: U.S. Census; Economic & Planning Systems

- Public Administration & Support, Waste Management and Remediation
  - Agriculture, Forestry, Fishing and Hunting
  - Management of Companies and Enterprises
  - Professional, Scientific, and Technical Services
  - Utilities
  - Mining, Quarrying, and Oil and Gas Extraction
  - Real Estate and Rental and Leasing
  - Finance and Insurance
  - Retail Trade
  - Other Services (excluding Public Administration)
  - Arts, Entertainment, and Recreation
  - Accommodation and Food Services
  - Transportation and Warehousing
  - Health Care and Social Assistance
  - Information
  - Construction
  - Wholesale Trade
  - Manufacturing
  - Educational Services

Source: U.S. Census; Economic & Planning Systems

- Public Administration
- Retail Trade
- Professional, Scientific, and Technical Services
- Health Care and Social Assistance
- Administration & Support, Waste Management and Remediation
- Accommodation and Food Services
- Utilities
- Agriculture, Forestry, Fishing and Hunting
- Real Estate and Rental and Leasing
- Management of Companies and Enterprises
- Finance and Insurance
- Other Services (excluding Public Administration)
- Mining, Quarrying, and Oil and Gas Extraction
- Transportation and Warehousing
- Information
- Arts, Entertainment, and Recreation
- Construction
- Manufacturing
- Wholesale Trade
- Educational Services
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
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 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 216,000 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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<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>
<td></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>
<td></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>
<td></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>
<td></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>
<td></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>
<td></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>
<td></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>
<td></td>
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<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>
<td></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>
<td></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>
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<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>6.2%</td>
<td></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>
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</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>
<td></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>
<td></td>
</tr>
<tr>
<td>75 to 79 years</td>
<td>44,103</td>
<td>57,025</td>
<td>12,922</td>
<td>661</td>
<td>1.73%</td>
<td>1.8%</td>
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<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>
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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>
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</tr>
<tr>
<td><strong>Total</strong></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>
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</tbody>
</table>

**Generational Category**

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>Generation Z (Born 2001 or later)</td>
<td>597,658</td>
<td>597,658</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>0.0%</td>
<td>19.4%</td>
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<tr>
<td>Millennials (Born 1981 to 2000)</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>
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<tr>
<td>Generation X (Born 1965 to 1980)</td>
<td>605,295</td>
<td>84,977</td>
<td>6,680</td>
<td>0.89%</td>
<td>25.2%</td>
<td>22.4%</td>
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<tr>
<td>Baby Boomers (Born 1946 to 1964)</td>
<td>666,179</td>
<td>-61,589</td>
<td>-4,106</td>
<td>0.60%</td>
<td>30.3%</td>
<td>21.7%</td>
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<tr>
<td>Silents or before (Born 1945 or before)</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>
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</tr>
<tr>
<td><strong>Total</strong></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>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Census, ACS; Economic & Planning Systems

H:\Economic & Planning Systems\163063-Lakewood Housing Study\Data\163063-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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</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>
<td></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>
<td></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>
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<td></td>
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</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>
<td></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>
<td></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>
<td></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>
<td></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>
<td></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>
<td></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>
<td></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>
<td></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>
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<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>
<td></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>
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</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>
<td></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>
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<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>
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</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>
<td></td>
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</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>
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<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Generation Z (Born 2001 or later)</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>
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<tr>
<td>Millennials (Born 1981 to 2000)</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>
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<tr>
<td>Generation X (Born 1965 to 1980)</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>
<td></td>
<td></td>
</tr>
<tr>
<td>Baby Boomers (Born 1946 to 1964)</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>
<td></td>
<td></td>
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<tr>
<td>Silents or before (Born 1945 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>
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<td></td>
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<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>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Census, ACS; Economic & Planning Systems

H:\23063-Lakewood Housing Study\Data\23063-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).
Figure 12
Housing Inventory Change, 2000-2015

Legend
Housing Inventory Change, 2000-2015
- Loss or no change
- Up to 50
- 51 to 100
- 101 to 250
- More than 250
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

Legend
Gross Units per Acre, 2015
- Less than 1 du / acre
- 1 to 2 du / acre
- 2 to 5 du / acre
- 5 to 10 du / acre
- More than 10 du / acre
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>SFD</th>
<th>SFA</th>
<th>2-units</th>
<th>3-unit / 4-unit</th>
<th>5 to 9 units</th>
<th>10 to 19</th>
<th>20 to 49</th>
<th>50 or more</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams</td>
<td></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>
<td>5,147</td>
<td>154,578</td>
</tr>
<tr>
<td>Arapahoe</td>
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<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>
<td>13,816</td>
<td>241,677</td>
</tr>
<tr>
<td>Denver</td>
<td></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>
<td>48,941</td>
<td>303,453</td>
</tr>
<tr>
<td>Douglas</td>
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<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>
<td>3,558</td>
<td>120,551</td>
</tr>
<tr>
<td>Jefferson</td>
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<td>153,971</td>
<td>21,479</td>
<td>2,553</td>
<td>7,625</td>
<td>12,426</td>
<td>14,746</td>
<td>12,005</td>
<td>8,163</td>
<td>232,968</td>
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<tr>
<td>Total</td>
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<td>625,128</td>
<td>90,084</td>
<td>12,586</td>
<td>30,686</td>
<td>52,948</td>
<td>85,107</td>
<td>77,063</td>
<td>79,625</td>
<td>1,053,227</td>
</tr>
<tr>
<td>Lakewood</td>
<td></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>
<td>3,020</td>
<td>66,780</td>
</tr>
<tr>
<td>Units as % of Total</td>
<td></td>
<td>66%</td>
<td>8%</td>
<td>1%</td>
<td>3%</td>
<td>5%</td>
<td>8%</td>
<td>6%</td>
<td>3%</td>
<td>100%</td>
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<tr>
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<td>57%</td>
<td>10%</td>
<td>1%</td>
<td>3%</td>
<td>5%</td>
<td>6%</td>
<td>10%</td>
<td>8%</td>
<td>100%</td>
</tr>
<tr>
<td>Arapahoe</td>
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<td>46%</td>
<td>8%</td>
<td>2%</td>
<td>3%</td>
<td>5%</td>
<td>9%</td>
<td>11%</td>
<td>16%</td>
<td>100%</td>
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<tr>
<td>Denver</td>
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<td>77%</td>
<td>7%</td>
<td>0%</td>
<td>1%</td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
<td>100%</td>
</tr>
<tr>
<td>Douglas</td>
<td></td>
<td>66%</td>
<td>9%</td>
<td>1%</td>
<td>3%</td>
<td>5%</td>
<td>6%</td>
<td>5%</td>
<td>4%</td>
<td>100%</td>
</tr>
<tr>
<td>Jefferson</td>
<td></td>
<td>89%</td>
<td>9%</td>
<td>1%</td>
<td>3%</td>
<td>5%</td>
<td>8%</td>
<td>7%</td>
<td>8%</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>50%</td>
<td>10%</td>
<td>2%</td>
<td>5%</td>
<td>9%</td>
<td>11%</td>
<td>8%</td>
<td>5%</td>
<td>100%</td>
</tr>
<tr>
<td>Lakewood</td>
<td></td>
<td>-10%</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
<td>4%</td>
<td>3%</td>
<td>1%</td>
<td>-3%</td>
<td></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
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.
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**

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>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jobs</td>
<td>Housing</td>
<td>Jobs to Housing</td>
</tr>
<tr>
<td>Adams</td>
<td>152,653</td>
<td>128,156</td>
<td>1.2</td>
</tr>
<tr>
<td>Arapahoe</td>
<td>299,585</td>
<td>190,909</td>
<td>1.6</td>
</tr>
<tr>
<td>Denver</td>
<td>496,361</td>
<td>239,235</td>
<td>2.1</td>
</tr>
<tr>
<td>Douglas</td>
<td>61,114</td>
<td>60,924</td>
<td>1.0</td>
</tr>
<tr>
<td>Jefferson</td>
<td>222,859</td>
<td>206,067</td>
<td>1.1</td>
</tr>
<tr>
<td>Total</td>
<td>1,232,572</td>
<td>825,291</td>
<td>1.5</td>
</tr>
<tr>
<td>Lakewood</td>
<td>[Note 1]</td>
<td>61,614</td>
<td>60,531</td>
</tr>
</tbody>
</table>

[Note 1]: Jobs shown for 2000 are actually the total for 2001;
Source: U.S. Census; BLS; Economic & Planning Systems

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Economic & Planning Systems, Inc. 41 Draft Report
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

Legend
% of 2015 Inventory Built Between 1980 and 2000
- 20% or less
- 21% to 40%
- 41% to 60%
- 61% to 80%
- 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

Legend
- Residential 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

Table 1 - Overall Summary

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Residential Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>800</td>
</tr>
<tr>
<td>1988</td>
<td>600</td>
</tr>
<tr>
<td>1989</td>
<td>400</td>
</tr>
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<td>1990</td>
<td>500</td>
</tr>
<tr>
<td>1991</td>
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<tr>
<td>2013</td>
<td>2,800</td>
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<tr>
<td>2014</td>
<td>2,900</td>
</tr>
<tr>
<td>2015</td>
<td>3,000</td>
</tr>
</tbody>
</table>

Source: City of Lakewood Building Department, Economic & Planning Systems
**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**

![Indexed Home Price Escalation, 2000-2016](image_url)
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

![Lakewood Vacancy and Rent Trends, 2000-2016](image-url)
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**

![Vacancy Rate Trends, 2000-2015](image)

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**

![Rental Rate Trends, 2000-2015](image)
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

**Figure 42**
Importance of Physical Features to Future Choice Factors
**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>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense of safety</td>
<td>18%</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>
</tr>
<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

**Figure 44**
Importance of Neighborhood Features to Future Choice Factors

<table>
<thead>
<tr>
<th>Neighborhood Features</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense of safety</td>
<td>12%</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
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>
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<tr>
<td>Walk to schools</td>
<td>43%</td>
<td>20%</td>
<td>22%</td>
<td>14%</td>
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</table>

Source: RRC Associates; Economic & Planning Systems
H:\163063-Lakewood Housing Study\Draft\163063-survey selections-031717.xlsx

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
H:\163063-Lakewood Housing Study\Draft\163063-survey selections-031717.xlsx

Economic & Planning Systems, Inc. 63 Draft Report
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

![Figure 47: Importance of Physical Features for Under 35s](image-url)
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>Series1</th>
<th>Series2</th>
<th>Series3</th>
<th>Series4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sense of safety</td>
<td>29%</td>
<td>29%</td>
<td>68%</td>
<td>68%</td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td>8%</td>
<td>42%</td>
<td>47%</td>
<td>47%</td>
</tr>
<tr>
<td>Sense of privacy</td>
<td>3%</td>
<td>24%</td>
<td>39%</td>
<td>33%</td>
</tr>
<tr>
<td>Range of housing types</td>
<td>23%</td>
<td>30%</td>
<td>36%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

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>Series1</th>
<th>Series2</th>
<th>Series3</th>
<th>Series4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short commute to work</td>
<td>9%</td>
<td>9%</td>
<td>33%</td>
<td>50%</td>
</tr>
<tr>
<td>Walk to parks, recreation</td>
<td>2%</td>
<td>9%</td>
<td>32%</td>
<td>56%</td>
</tr>
<tr>
<td>Quality public schools</td>
<td>22%</td>
<td>25%</td>
<td>22%</td>
<td>31%</td>
</tr>
<tr>
<td>Walk to shops, restaurants</td>
<td>10%</td>
<td>15%</td>
<td>31%</td>
<td>44%</td>
</tr>
<tr>
<td>Walk to rail, bus stop</td>
<td>14%</td>
<td>21%</td>
<td>35%</td>
<td>31%</td>
</tr>
<tr>
<td>Walk to schools</td>
<td>40%</td>
<td>19%</td>
<td>27%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
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>Feature</th>
<th>35 to 54s</th>
<th>Over 55s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Physical Features</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>-9%</td>
<td>-18%</td>
</tr>
<tr>
<td>Quality construction</td>
<td>-14%</td>
<td>-20%</td>
</tr>
<tr>
<td>Privacy between homes</td>
<td>-11%</td>
<td>-14%</td>
</tr>
<tr>
<td>Home size</td>
<td>-7%</td>
<td>-5%</td>
</tr>
<tr>
<td>Historic character</td>
<td>4%</td>
<td>-11%</td>
</tr>
<tr>
<td>Low maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Neighborhood Features</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sense of safety</td>
<td>-7%</td>
<td>-12%</td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td>3%</td>
<td>-4%</td>
</tr>
<tr>
<td>Sense of privacy</td>
<td>-6%</td>
<td>-25%</td>
</tr>
<tr>
<td>Range of housing types</td>
<td>-8%</td>
<td>-15%</td>
</tr>
<tr>
<td><strong>Community Features</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short commute to work</td>
<td>-1%</td>
<td>2%</td>
</tr>
<tr>
<td>Walk to parks, recreation</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>Quality public schools</td>
<td>-10%</td>
<td>-3%</td>
</tr>
<tr>
<td>Walk to shops, restaurants</td>
<td>11%</td>
<td>22%</td>
</tr>
<tr>
<td>Walk to rail, bus stop</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Walk to schools</td>
<td>-2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
**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**

How Under 35s 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>-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>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Neighborhood Features</th>
<th>% Difference</th>
<th>% Difference Other Age Groups Saying “Very Important”</th>
</tr>
</thead>
<tbody>
<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>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Community Features</th>
<th>% Difference</th>
<th>% Difference Other Age Groups Saying “Very Important”</th>
</tr>
</thead>
<tbody>
<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
35 to 54s

Current Considerations

The following Figure 50 through Figure 52 illustrate how this age groups 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>2%</td>
<td>8%</td>
<td>33%</td>
<td>58%</td>
</tr>
<tr>
<td>Quality construction</td>
<td>2%</td>
<td>8%</td>
<td>42%</td>
<td>48%</td>
</tr>
<tr>
<td>Privacy between homes</td>
<td>7%</td>
<td>23%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>Home size</td>
<td>3%</td>
<td>16%</td>
<td>53%</td>
<td>28%</td>
</tr>
<tr>
<td>Historic character</td>
<td>22%</td>
<td>28%</td>
<td>29%</td>
<td>22%</td>
</tr>
<tr>
<td>Low maintenance</td>
<td>38%</td>
<td>34%</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>18%</td>
<td>20%</td>
<td>75%</td>
<td></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>18%</td>
<td>29%</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

<table>
<thead>
<tr>
<th>Feature</th>
<th>Series1</th>
<th>Series2</th>
<th>Series3</th>
<th>Series4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short commute to work</td>
<td>6%</td>
<td>15%</td>
<td>28%</td>
<td>51%</td>
</tr>
<tr>
<td>Walk to parks, recreation</td>
<td>5%</td>
<td>12%</td>
<td>40%</td>
<td>43%</td>
</tr>
<tr>
<td>Quality public schools</td>
<td>24%</td>
<td>15%</td>
<td>20%</td>
<td>41%</td>
</tr>
<tr>
<td>Walk to shops,....</td>
<td>16%</td>
<td>22%</td>
<td>29%</td>
<td>33%</td>
</tr>
<tr>
<td>Walk to rail, bus stop</td>
<td>19%</td>
<td>27%</td>
<td>31%</td>
<td>24%</td>
</tr>
<tr>
<td>Walk to schools</td>
<td>42%</td>
<td>20%</td>
<td>22%</td>
<td>16%</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
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></th>
<th>Physical Features</th>
<th>Neighborhood Features</th>
<th>Community Features</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>under 35s</td>
<td>over 55s</td>
<td>under 35s</td>
</tr>
<tr>
<td>Cost</td>
<td>-11%</td>
<td>-4%</td>
<td>-13%</td>
</tr>
<tr>
<td>Quality construction</td>
<td>9%</td>
<td>-9%</td>
<td>10%</td>
</tr>
<tr>
<td>Privacy between homes</td>
<td>14%</td>
<td>-6%</td>
<td>-3%</td>
</tr>
<tr>
<td>Home size</td>
<td>1%</td>
<td>-3%</td>
<td>-1%</td>
</tr>
<tr>
<td>Historic character</td>
<td>7%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Low maintenance</td>
<td>-4%</td>
<td>-15%</td>
<td>-6%</td>
</tr>
<tr>
<td>Sense of safety</td>
<td>7%</td>
<td>-5%</td>
<td>6%</td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td>-3%</td>
<td>-7%</td>
<td>1%</td>
</tr>
<tr>
<td>Sense of privacy</td>
<td>6%</td>
<td>-7%</td>
<td>2%</td>
</tr>
<tr>
<td>Range of housing types</td>
<td>8%</td>
<td>-7%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

H:\2063-Lakewood Housing Study\Data\2063-survey selections-031717.xlsx\TABLEA2 - 35 54 current
**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></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></td>
<td></td>
<td>Under 35s over 55s</td>
</tr>
<tr>
<td><strong>Physical Features</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Privacy between homes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home size</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Historic character</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Neighborhood Features</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sense of safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sense of privacy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Range of housing types</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Community Features</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short commute to work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walk to parks, recreation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality public schools</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walk to shops, restaurants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walk to rail, bus stop</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walk to schools</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

H:\3063-Lakewood Housing Study\Data\3063-survey selections-031717.doc\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**

<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>62%</td>
<td>28%</td>
<td>8%</td>
<td>2%</td>
</tr>
<tr>
<td>Quality construction</td>
<td>57%</td>
<td>35%</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>Privacy between homes</td>
<td>41%</td>
<td>29%</td>
<td>21%</td>
<td>9%</td>
</tr>
<tr>
<td>Home size</td>
<td>31%</td>
<td>44%</td>
<td>19%</td>
<td>5%</td>
</tr>
<tr>
<td>Historic character</td>
<td>20%</td>
<td>31%</td>
<td>27%</td>
<td>23%</td>
</tr>
<tr>
<td>Low maintenance</td>
<td>25%</td>
<td>21%</td>
<td>33%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

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**

<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>80%</td>
<td>41%</td>
<td>12%</td>
<td>1%</td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td>51%</td>
<td>34%</td>
<td>12%</td>
<td>4%</td>
</tr>
<tr>
<td>Sense of privacy</td>
<td>58%</td>
<td>35%</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td>Range of housing types</td>
<td>25%</td>
<td>41%</td>
<td>23%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
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>Feature</th>
<th>Under 35s</th>
<th>35 to 54s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Physical Features</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td>-7%</td>
<td>4%</td>
</tr>
<tr>
<td>Quality construction</td>
<td>18%</td>
<td>9%</td>
</tr>
<tr>
<td>Privacy between homes</td>
<td>20%</td>
<td>6%</td>
</tr>
<tr>
<td>Home size</td>
<td>14%</td>
<td>3%</td>
</tr>
<tr>
<td>Historic character</td>
<td>5%</td>
<td>-2%</td>
</tr>
<tr>
<td>Low maintenance</td>
<td>11%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Neighborhood Features</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sense of safety</td>
<td>12%</td>
<td>5%</td>
</tr>
<tr>
<td>Well-designed sidewalks</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Sense of privacy</td>
<td>25%</td>
<td>19%</td>
</tr>
<tr>
<td>Range of housing types</td>
<td>15%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Community Features</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short commute to work</td>
<td>-2%</td>
<td>-3%</td>
</tr>
<tr>
<td>Walk to parks, recreation</td>
<td>-14%</td>
<td>-1%</td>
</tr>
<tr>
<td>Quality public schools</td>
<td>3%</td>
<td>-7%</td>
</tr>
<tr>
<td>Walk to shops, restaurants</td>
<td>-22%</td>
<td>-11%</td>
</tr>
<tr>
<td>Walk to rail, bus stop</td>
<td>-8%</td>
<td>-1%</td>
</tr>
<tr>
<td>Walk to schools</td>
<td>-1%</td>
<td>-3%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

H:\163063-Lakewood Housing Study\Data\163063-survey selections-031717.xlsx\TABLE A1 - over 55 current
**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>1%</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

\[H:\163063-Lakewood Housing Study\Data\163063-survey selections-031717.xlsx\]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.
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.

**Figure 60**
Walking Distance to Rail Stations
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 who 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>Willingness to Pay</th>
<th>Not at all</th>
<th>Slightly</th>
<th>Somewhat likely</th>
<th>Moderately</th>
<th>Very</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<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>
<tr>
<td>Under 35s</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<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>
<tr>
<td>35 to 54s</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<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>
<tr>
<td>Over 55s</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<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
**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

**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
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>
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\203\163063survey selections-031717.xlsx\AB\088 - Where move 1
5. **POLICIES, STRATEGIES, & INCENTIVES**

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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.

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></td>
</tr>
<tr>
<td>35 to 54</td>
<td>2%</td>
<td>33%</td>
<td>58%</td>
<td></td>
</tr>
<tr>
<td>55 and over</td>
<td>2%</td>
<td>28%</td>
<td>62%</td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>1%</td>
<td>30%</td>
<td>61%</td>
<td></td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
H:\163063-Lakewood Housing Study\Data\163063-surveys\xls\tab1717.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></td>
</tr>
<tr>
<td>35 to 54</td>
<td>2%</td>
<td>30%</td>
<td>61%</td>
<td></td>
</tr>
<tr>
<td>55 and over</td>
<td>1%</td>
<td>22%</td>
<td>69%</td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>2%</td>
<td>27%</td>
<td>65%</td>
<td></td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
H:\163063-Lakewood Housing Study\Data\163063-surveys\xls\tab1717.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

TABLE 3 - Privacy
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></th>
<th>Under 35</th>
<th>35 to 54</th>
<th>55 and Over</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very</td>
<td>4%</td>
<td>3%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Moderately</td>
<td>28%</td>
<td>16%</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Slightly</td>
<td>50%</td>
<td>53%</td>
<td>44%</td>
<td>50%</td>
</tr>
<tr>
<td>Not at all</td>
<td>17%</td>
<td>28%</td>
<td>31%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

Figure 73
Future Importance of Home Size by Age

<table>
<thead>
<tr>
<th></th>
<th>Under 35</th>
<th>35 to 54</th>
<th>55 and Over</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very</td>
<td>2%</td>
<td>4%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Moderately</td>
<td>10%</td>
<td>16%</td>
<td>24%</td>
<td>18%</td>
</tr>
<tr>
<td>Slightly</td>
<td>36%</td>
<td>44%</td>
<td>38%</td>
<td>42%</td>
</tr>
<tr>
<td>Not at all</td>
<td>52%</td>
<td>36%</td>
<td>32%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
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>Very</th>
<th>Moderately</th>
<th>Slightly</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>15%</td>
<td>22%</td>
<td>28%</td>
<td>30%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>22%</td>
<td>29%</td>
<td>28%</td>
<td>22%</td>
</tr>
<tr>
<td>55 and over</td>
<td>23%</td>
<td>31%</td>
<td>27%</td>
<td>20%</td>
</tr>
<tr>
<td>Under 35</td>
<td>26%</td>
<td>32%</td>
<td>27%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Figure 75
Future Importance of Historic Character by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Very</th>
<th>Moderately</th>
<th>Slightly</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>20%</td>
<td>29%</td>
<td>31%</td>
<td>20%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>20%</td>
<td>32%</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>55 and over</td>
<td>21%</td>
<td>27%</td>
<td>32%</td>
<td>23%</td>
</tr>
<tr>
<td>Under 35</td>
<td>19%</td>
<td>32%</td>
<td>35%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
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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 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>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
H:\163063-Lakewood Housing Study\Data\163063-surveys\election031717.xlsx\TABLE 2 - Maint

Figure 77
Future Importance of Lower Maintenance Living 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>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
H:\163063-Lakewood Housing Study\Data\163063-surveys\election031717.xlsx\TABLE 2 - Maint
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

Figure 79
Future Importance of Sense of Safety and Security by Age
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

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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:\163063-Lakewood Housing Study\Data\163063-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>Overall</td>
<td>2%</td>
<td>13%</td>
<td>39%</td>
<td>45%</td>
</tr>
<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></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>55 and over</td>
<td>1%</td>
<td>6%</td>
<td>35%</td>
<td>58%</td>
</tr>
</tbody>
</table>

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>Overall</td>
<td>2%</td>
<td>11%</td>
<td>39%</td>
<td>48%</td>
</tr>
<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></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>55 and over</td>
<td>2%</td>
<td>9%</td>
<td>36%</td>
<td>53%</td>
</tr>
</tbody>
</table>
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

<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>23%</td>
<td>30%</td>
<td>36%</td>
<td>10%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>18%</td>
<td>29%</td>
<td>35%</td>
<td>18%</td>
</tr>
<tr>
<td>55 and over</td>
<td>12%</td>
<td>23%</td>
<td>41%</td>
<td>25%</td>
</tr>
<tr>
<td>Overall</td>
<td>17%</td>
<td>27%</td>
<td>39%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

Figure 85
Future Importance of a Range of Housing Types in Neighborhood 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>21%</td>
<td>27%</td>
<td>40%</td>
<td>13%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>14%</td>
<td>28%</td>
<td>40%</td>
<td>18%</td>
</tr>
<tr>
<td>55 and over</td>
<td>8%</td>
<td>26%</td>
<td>44%</td>
<td>22%</td>
</tr>
<tr>
<td>Overall</td>
<td>13%</td>
<td>28%</td>
<td>41%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
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 Category</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>15%</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 Category</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 Category</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
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Figure 89
Future Importance of Walking Distance to Parks, Recreation, Trails by Age

<table>
<thead>
<tr>
<th>Age Category</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>
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<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
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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

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Very</th>
<th>Moderately</th>
<th>Slightly</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>22%</td>
<td>25%</td>
<td>22%</td>
<td>31%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>24%</td>
<td>15%</td>
<td>20%</td>
<td>41%</td>
</tr>
<tr>
<td>55 and over</td>
<td>28%</td>
<td>17%</td>
<td>20%</td>
<td>34%</td>
</tr>
<tr>
<td>Overall</td>
<td>24%</td>
<td>17%</td>
<td>21%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

**Figure 91**
Future Importance of Quality Public Schools by Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Very</th>
<th>Moderately</th>
<th>Slightly</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>7%</td>
<td>5%</td>
<td>21%</td>
<td>68%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>26%</td>
<td>16%</td>
<td>19%</td>
<td>40%</td>
</tr>
<tr>
<td>55 and over</td>
<td>40%</td>
<td>14%</td>
<td>20%</td>
<td>26%</td>
</tr>
<tr>
<td>Overall</td>
<td>25%</td>
<td>14%</td>
<td>20%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems
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>

Source: RRC Associates; Economic & Planning Systems

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
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

<table>
<thead>
<tr>
<th></th>
<th>Under 35</th>
<th>35 to 54</th>
<th>55 and over</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very</td>
<td>14%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Moderately</td>
<td>21%</td>
<td>27%</td>
<td>26%</td>
<td>25%</td>
</tr>
<tr>
<td>Slightly</td>
<td>35%</td>
<td>31%</td>
<td>31%</td>
<td>32%</td>
</tr>
<tr>
<td>Not at all</td>
<td>31%</td>
<td>24%</td>
<td>23%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

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Figure 95
Future Importance of Walking Distance to Rail or Bus by Age

<table>
<thead>
<tr>
<th></th>
<th>Under 35</th>
<th>35 to 54</th>
<th>55 and over</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very</td>
<td>8%</td>
<td>14%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Moderately</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Slightly</td>
<td>35%</td>
<td>34%</td>
<td>36%</td>
<td>35%</td>
</tr>
<tr>
<td>Not at all</td>
<td>35%</td>
<td>29%</td>
<td>31%</td>
<td>29%</td>
</tr>
</tbody>
</table>

Source: RRC Associates; Economic & Planning Systems

H:\163063-Lakewood Housing Study\Data\163063-survey selections 6/3/17.xlsx|TABLE d1-Moving 1
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></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></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**

![Graph showing average annual expenditure per consumer unit by age category.](image)

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>
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<th>45-54 years</th>
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<td>Food</td>
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<td>$6,855</td>
<td>$8,664</td>
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<td>Food away from home</td>
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<td>Housing</td>
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<td>Household furnishings and equipment</td>
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<td>$2,050</td>
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<td>Apparel and services</td>
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<td>Other</td>
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<td>Annual aggregate expenditures</td>
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<td>$65,140</td>
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<td>$59,072</td>
<td>$44,378</td>
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Source: BLS CES; Economic & Planning Systems

H:\B3063-Lakewood Housing Study\Data\B3063-BLS CES by Age.xlsx\TABLE 1 - Summary
## 2020 Quarterly Allocation Report

<table>
<thead>
<tr>
<th>Allocation Range</th>
<th># of Allocations</th>
<th>BP Date</th>
<th>Applicant</th>
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<tr>
<td>20-001</td>
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<td>Oscar Rodriguez</td>
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<td>20-002 - 20-006</td>
<td>5</td>
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<td>Anthony Del Grippo</td>
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<td>20-071 - 20-092</td>
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<td>Joseph Klopfenstein</td>
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<td>CIM Investments</td>
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<td>Kris Mahoney</td>
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<td>Dirk Nygaard</td>
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<td>20-161</td>
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<td></td>
<td>Ed &amp; Michele Stafford</td>
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<td>20-162</td>
<td>1</td>
<td></td>
<td>Jenna Gorman</td>
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### Open Pool
- **Starting Number**: 250
- **Total Issued**: 162
- **Total Used**: 26
- **Issued but Unused**: 136
- **Still Available**: 88

### Affordable Pool
- **Starting Number**: 163
- **Total Issued**: 0
- **Total Used**: 0
- **Issued but Unused**: 0
- **Still Available**: 163
<table>
<thead>
<tr>
<th>Project Description</th>
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<tbody>
<tr>
<td>1 Single family home</td>
</tr>
<tr>
<td>5 Townhomes (7 units)</td>
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<tr>
<td>24 Townhomes</td>
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<tr>
<td>40 Townhomes</td>
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<tr>
<td>22 Townhome</td>
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<tr>
<td>1 Single family group home</td>
</tr>
<tr>
<td>1 Single family group home</td>
</tr>
<tr>
<td>1 ADU</td>
</tr>
<tr>
<td>30 Multifamily units</td>
</tr>
<tr>
<td>1 Single family home</td>
</tr>
<tr>
<td>29 Single family homes</td>
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<tr>
<td>1 Single family home</td>
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<tr>
<td>1 Duplex unit</td>
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<tr>
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<tr>
<td>1 Single family home</td>
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<tr>
<td>1 ADU</td>
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</table>
DATE OF COUNCIL MEETING: AUGUST 10, 2020 / AGENDA ITEM NO. 7
AUGUST 24, 2020 / AGENDA ITEM NO. 18

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

This ordinance was approved on 1st Reading by a vote of 11 ayes 0 nays.

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
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

f. 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 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
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]%

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 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

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal Installment</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1, 2022</td>
<td>$270,000</td>
</tr>
<tr>
<td>June 1, 2023</td>
<td>275,000</td>
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<tr>
<td>June 1, 2024</td>
<td>285,000</td>
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<tr>
<td>June 1, 2025</td>
<td>290,000</td>
</tr>
<tr>
<td>June 1, 2026*</td>
<td>180,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,300,000</strong></td>
</tr>
</tbody>
</table>

*Maturity.

Series 2020B Certificates

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal Installment</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1, 2026</td>
<td>$120,000</td>
</tr>
<tr>
<td>June 1, 2027</td>
<td>305,000</td>
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<tr>
<td>June 1, 2028</td>
<td>310,000</td>
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<tr>
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<td>315,000</td>
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<tr>
<td>June 1, 2030</td>
<td>320,000</td>
</tr>
<tr>
<td>Date</td>
<td>Amount</td>
</tr>
<tr>
<td>------------</td>
<td>---------</td>
</tr>
<tr>
<td>June 1, 2031</td>
<td>330,000</td>
</tr>
<tr>
<td>June 1, 2032</td>
<td>335,000</td>
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<tr>
<td>June 1, 2033</td>
<td>340,000</td>
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<td>June 1, 2038</td>
<td>375,000</td>
</tr>
<tr>
<td>June 1, 2039*</td>
<td>380,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$[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 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 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

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
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, 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 Series 2020A Owners and Series 2020B Owners of a majority in aggregate principal amount of the Certificates then Outstanding may 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.
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]

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<th>Interest Rate</th>
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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>
<thead>
<tr>
<th>Date</th>
<th>Principal Installment</th>
</tr>
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<td>290,000</td>
</tr>
<tr>
<td>June 1, 2026*</td>
<td>180,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$[1,300,000]</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 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, 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 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)
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>Date of Prepayment</th>
<th>Principal Prepaid</th>
<th>Signature of Authorized Registered Owner</th>
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(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.


<table>
<thead>
<tr>
<th>Date</th>
<th>Principal Installment</th>
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<tbody>
<tr>
<td>June 1, 2026</td>
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<td>June 1, 2027</td>
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<td>June 1, 2030</td>
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<td>June 1, 2031</td>
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<tr>
<td>June 1, 2032</td>
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B-2
### Table

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
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<tbody>
<tr>
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<td>365,000</td>
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<tr>
<td>June 1, 2038</td>
<td>375,000</td>
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<tr>
<td>June 1, 2039</td>
<td>380,000</td>
</tr>
<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 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 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 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.

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(End of Form of Prepayment Panel)

(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]
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.

“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 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 theIndenture, 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>Date</th>
<th>Principal Installment</th>
</tr>
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<tbody>
<tr>
<td>June 1, 2022</td>
<td>$270,000</td>
</tr>
<tr>
<td>June 1, 2023</td>
<td>275,000</td>
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<tr>
<td>June 1, 2024</td>
<td>285,000</td>
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<tr>
<td>June 1, 2025</td>
<td>290,000</td>
</tr>
<tr>
<td>June 1, 2026*</td>
<td>180,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$[1,300,000]</td>
</tr>
</tbody>
</table>

*Maturity.
### Series 2020B Taxable Certificates

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal Installment</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1, 2026</td>
<td>$120,000</td>
</tr>
<tr>
<td>June 1, 2027</td>
<td>305,000</td>
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<tr>
<td>June 1, 2028</td>
<td>310,000</td>
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<tr>
<td>June 1, 2029</td>
<td>315,000</td>
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<tr>
<td>June 1, 2030</td>
<td>320,000</td>
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<tr>
<td>June 1, 2031</td>
<td>330,000</td>
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<tr>
<td>June 1, 2032</td>
<td>335,000</td>
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<tr>
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<td>June 1, 2036</td>
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<tr>
<td>June 1, 2038</td>
<td>375,000</td>
</tr>
<tr>
<td>June 1, 2039*</td>
<td>380,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$[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
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 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 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 their 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; and

(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 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
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, 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,
(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, 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) identify the Series 2020B Certificates to be redeemed;
(b) specify the redemption date and the redemption price;
(c) 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) 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 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 is 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.)
Defeasance and Discharge.

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 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 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 Nonappropriation 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 Nonappropriation 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 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; 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 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.
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.

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.

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.

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.

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

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.

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

(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 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

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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 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 the 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 11.)

ARTICLE 14
ARTICLE 16
MISCELLANEOUS

Section 16.01 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 16.02 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 16.03 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 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 Initial Purchaser: 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]

<table>
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<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>Date</th>
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<tr>
<td>June 1, 2022</td>
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<tr>
<td>June 1, 2023</td>
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<tr>
<td>June 1, 2026*</td>
<td>180,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>[$1,300,000]</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.

A- 4
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.

SERIES 2020A TAXABLE CERTIFICATE

<table>
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<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)
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]

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<tr>
<td>2.15%</td>
<td>June 1, 2039</td>
<td>September 1, 2020</td>
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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>
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 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 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

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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.

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(End of Form of Prepayment Panel)

(End Form of Certificates)
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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 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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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 acquire, 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, 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 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 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:

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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

46
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**

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>12/1/2020</td>
<td>$ --</td>
<td>1.95%</td>
<td></td>
<td></td>
<td>$ --</td>
<td>2.15%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>6/1/2021</td>
<td>--</td>
<td>1.95%</td>
<td></td>
<td></td>
<td>--</td>
<td>2.15%</td>
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<td></td>
<td></td>
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<tr>
<td>6/1/2022</td>
<td>270,000</td>
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<td></td>
<td>--</td>
<td>2.15%</td>
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<tr>
<td>6/1/2023</td>
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<td>2.15%</td>
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<tr>
<td>6/1/2024</td>
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<tr>
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<tr>
<td>6/1/2026</td>
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<td>2.15%</td>
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<tr>
<td>6/1/2027</td>
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<td>120,000</td>
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<td>6/1/2028</td>
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<td>305,000</td>
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<tr>
<td>6/1/2029</td>
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<td>315,000</td>
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<td>6/1/2030</td>
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<td>320,000</td>
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<tr>
<td>6/1/2031</td>
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<td>330,000</td>
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<tr>
<td>6/1/2032</td>
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<tr>
<td>6/1/2033</td>
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<tr>
<td>6/1/2034</td>
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<td>6/1/2035</td>
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<td>6/1/2036</td>
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<td>6/1/2037</td>
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<tr>
<td>6/1/2038</td>
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<td>375,000</td>
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<td>6/1/2039</td>
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<td>--</td>
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<tr>
<td>Total</td>
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<td></td>
<td>$[4,555,000]</td>
<td>N/A</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;

Initial

or

(b) the City has determined not to renew the Lease for the ensuing Fiscal Year.

Initial

CITY OF LAKEWOOD, COLORADO

By: ________________________________
   City Representative

Date: ________________________________
Pursuant to Section 39-13-104(1)(j), Colorado Revised Statutes, this Lease Purchase Agreement is exempt from the documentary fee.
This Table of Contents is not a part of this Lease and is only for convenience of reference.

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<td>Doctrine of Merger.</td>
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</table>

**EXHIBIT A:** DESCRIPTION OF LEASED PROPERTY  A-1  
**EXHIBIT B:** EXISTING PERMITTED ENCUMBRANCES  B-1  
**EXHIBIT C:** BASE RENTALS SCHEDULE  C-1  
**EXHIBIT D:** FORM OF NOTICE OF LEASE RENEWAL  D-1
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”).

1
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 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 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.

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“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

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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.
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 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 (as defined herein) or 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.
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

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.
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 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, 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 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 Funds.
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 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 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.
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;

(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 guarantees, 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 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 nondefaulting 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 pay to the nondefaulting party, to the extent permitted by law, the reasonable fees of such attorneys and such other reasonable expenses so incurred by the nondefaulting 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 Appraisal, 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

Active52017889 3
if to the City, City of Lakewood, Colorado
480 S. Allison Parkway
Lakewood, Colorado 80226
Attention: Chief Financial Officer

if to the FirstBank
Initial Purchaser, FirstBank
12345 West Colfax Avenue
Lakewood, Colorado 80215
Attention: Investments Department
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 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 Rent als 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

U.S. BANK NATIONAL ASSOCIATION, solely in its capacity as Trustee under the Indenture, as Lessor

By: ____________________________
    Title: ___________________
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

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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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;

(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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- **Deletion**
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- **Style change**
- **Format change**
- **Moved deletion**

- **Inserted cell**
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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.
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 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 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) then the Trustee subleases all or any portion of the Leased Property or sells or assigns its interest 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
(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.

CITY OF LAKEWOOD,
COLORADO,
as Lessor

By: ____________________________
Mayor

By: ____________________________
Title: Senior Vice President

U.S. BANK NATIONAL ASSOCIATION., solely in its capacity as Trustee under the Indenture, as Lessee

CITY OF LAKEWOOD

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
EXHIBIT B

PERMITTED ENCUMBRANCES

“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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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 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 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 ____________________________
STATE OF COLORADO )
COUNTY OF JEFFERSON ) ss.

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 ) 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
EXHIBIT B
PERMITTED ENCUMBRANCES

“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:
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>Years Maturing (June 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
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(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
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
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:
   (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.

**Section 16. Exculpatory Provisions.**

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</th>
<th>Principal Amount</th>
<th>CUSIP Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>(June 1)</td>
<td></td>
<td>(51252)</td>
</tr>
<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>
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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.

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, (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 of, or obligations the timely payment 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

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

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

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

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

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

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

WHEREAS, the undersigned officers of the City are duly authorized to execute and deliver this 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

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.

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 5 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:

- For any investment or reinvestments of moneys pursuant to Sections 1 and 5 hereof,
- For transfers of money,
- For the termination of the Escrow Account pursuant to Section 8 hereof,
- For any notification of prospective deficiencies pursuant to Section 10 hereof,
- For the final report pursuant to Section 11 hereof, and
- 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.
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.

**Section 17 — Exculpatory Provisions.**

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 19. 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.
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____________________________________

Michele Millard, City Clerk

Attestation Date__________________________

Approved as to form:

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 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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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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</table>
STAFF MEMO

DATE OF COUNCIL MEETING: AUGUST 10, 2020 / AGENDA ITEM NO. 8
            AUGUST 24, 2020 / AGENDA ITEM NO. 19

To:        Mayor and City Council
From:      Kit Newland, Director of Community Resources, 303-987-7822
Subject:   HEAD START GRANT ORDINANCE FOR SUPPLEMENTAL APPROPRIATION

This ordinance was approved on 1st Reading by a vote of 11 ayes 0 nays.

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
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES  
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>Fringe Benefits</td>
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<td>Travel</td>
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<td>Supplies</td>
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17. AWARD COMPUTATION:

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<td>B. FEDERAL SHARE...</td>
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<tr>
<td>B. UNOBLIGATED BALANCE FEDERAL SHARE...</td>
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<td>C. FED. SHARE AWARDED THIS BUDGET PERIOD...</td>
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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:  
840953908

23. PAYEE EIN:  
1840593908A1

24. OBJECT CLASS:  
41.51

25. FINANCIAL INFORMATION:

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<td>75-2021-1536</td>
<td>0-G080900</td>
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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. SIGNATURE(S) CERTIFYING FUND AVAILABILITY  
Ms. TaWanda Goodman  
07/14/2020

29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S)  
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:
The Administration for Children and Families U.S. Department of Health and Human Services Office of Grants Management ATTN: Grants Management Specialist 330 C Street, SW., Switzer Building Corridor 3200 Washington, DC 20201 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 2021 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.
1. COVID-19 One Time Remarks
26. REMARKS (Continued from previous page)

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.

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:

Kathleen E. Hodgson
City Manager
City of Lakewood, Colorado

ATTEST:

Michele Millard, City Clerk
City of Lakewood, Colorado
City Council Request for Legislative Modifications

Submission date: 14 July 2020, 3:12PM
Receipt number: 7
Related form version: 4

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<tr>
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<td>LaBure, Gutwein</td>
</tr>
<tr>
<td>Enter email address to receive a copy of this submission</td>
<td><a href="mailto:jlabure@lakewood.org">jlabure@lakewood.org</a></td>
</tr>
<tr>
<td>Briefly describe the minor modification being requested</td>
<td>Requesting the administration Re-Post signs/ or post similar signs; acknowledging Lakewood’s intent in “building an inclusive community”</td>
</tr>
<tr>
<td>Provide history / background information that supports the request</td>
<td>The new signs developed and posted around the city of Lakewood have done away with the signs indicating we are building an inclusive community. This message of inclusivity is an important one that should continue to be proudly proclaimed.</td>
</tr>
<tr>
<td>If it needs expedited handling, please provide an explanation why</td>
<td>This is a administrative action that would only require simple Council direction and should take minimal time of council.</td>
</tr>
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<td>Attach file if needed</td>
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City Council Request for Legislative Modifications

Submission date: 15 July 2020, 2:33PM
Receipt number: 8
Related form version: 4

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<td>Ramey Johnson</td>
</tr>
<tr>
<td>Enter email address to receive a copy of this submission</td>
<td><a href="mailto:rjohnson@lakewood.org">rjohnson@lakewood.org</a></td>
</tr>
</tbody>
</table>
| Briefly describe the minor modification being requested      | Direct the Lakewood Advisory Commission (LAC) to research the issue of fireworks in Lakewood and look for potential solutions to reduce illegal use. Recommend LAC address questions such as those listed below:  
- Does Lakewood want to keep the ordinance making fireworks illegal?  
- Is this ordinance enforceable?  
- Realistically what kind of resources will it take to enforce this ordinance?  
- Will the budget allow the money it will take to devote resources to enforcement?  
- “Deputize” volunteers to assist with enforcement?  
- Should sparklers and large fireworks be treated the same? Prioritize kinds for fines.  
- Prioritize fines based on what kind of fireworks are being used?  
- Should the city consider a devoted area for people to go to personally use fireworks?  
- Is lobbying the County Commissioners part of the solution- currently fireworks are sold in unincorporated Jeffco. Speak at meeting? Letter from Council? Encourage residents to lobby?  
- Will there be money available to resume the Big Boom Bash? Admission charge?  
- Allow a 2-day waiver to allow small fireworks? July 3-4?  
- Add language to signage that states "Fireworks illegal in Lakewood- Fines enforced".  
- How realistic is it to collect on fines from violators? Resources to collect on fines?  
- Instead of fines- should violators be tasked with cleaning parks, streets? Advertise  
- Publish violators?  
- What percentage of people who have been given a citation, actually pay?  
- Seek solutions from LPD |
<table>
<thead>
<tr>
<th>Provide history / background information that supports the request</th>
<th>Although fireworks have been with us for years, this year Lakewood and the entire region experienced a level of use that can't be ignored. Fireworks are illegal in Lakewood. Indeed, the highest fine is $2,650. However, is this ordinance really enforceable? Direct LAC in 2020 to begin research for City Council to address in 2021.</th>
</tr>
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<tr>
<td>If it needs expedited handling, please provide an explanation why</td>
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<tr>
<td>Attach file if needed</td>
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City Council Proposed Legislative Priorities

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<tr>
<td>Council member sponsor(s)</td>
<td>Charley Able</td>
</tr>
<tr>
<td>Enter email address to receive a copy of this submission</td>
<td><a href="mailto:cable@lakewood.org">cable@lakewood.org</a></td>
</tr>
<tr>
<td>Briefly describe the legislative priority</td>
<td>Compile and approve a City Council Code of Ethics</td>
</tr>
<tr>
<td>Provide 2-3 sentences that details why this is a priority</td>
<td>To ensure that we are transparent and uphold the community’s expectations of how we should conduct ourselves ethically, standards with which Council should comport ourselves and potential sanction.</td>
</tr>
<tr>
<td>Question</td>
<td>Answer</td>
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<td>-------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>What do you see as the steps involved in achieving this priority, and what is the first step?</td>
<td>Same as Council’s Code of conduct: Appoint a committee comprised of one City Council member from each Ward; Compile recommended standards and supporting language; present the product to the full Council at Study Session; move to Public Hearing at which suggested amendments, language changes and other considerations can be discussed and presented for a final vote,</td>
</tr>
<tr>
<td>If there is a need for expedited handling this year, provide an explanation</td>
<td>We are five years removed from the original plan to compile a Code of Ethics.</td>
</tr>
<tr>
<td>Question</td>
<td>Response</td>
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<td>For consideration this year</td>
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<tr>
<td>Council member sponsor(s)</td>
<td>Paul &amp; Gutwein</td>
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<tr>
<td>Enter email address to receive a copy of this submission</td>
<td><a href="mailto:dgutwein@lakewood.org">dgutwein@lakewood.org</a></td>
</tr>
<tr>
<td>Briefly describe the legislative priority</td>
<td>Due to the COVID pandemic, we are seeing an uptick in homelessness. With winter on the horizon, potentially a second wave, continued economic impacts, and end of eviction stays, the need in our community could potentially continue to grow. Addressing homelessness in our community was our 3rd legislative priority this year, as a council. Are there additional policies changes we can make to further this conversation and bring results for our community? The availability of CARES and potentially other Federal funds (like FEMA?) and the increased demand has potentially changed the level of urgency of this issue and topic.</td>
</tr>
<tr>
<td>Provide 2-3 sentences that details why this is a priority</td>
<td>Homelessness is continuing to grow and addressing cold weather/ emergency shelter, and also transitional/ bridge housing are critical components to ensuring the public health and safety of all Lakewood residents.</td>
</tr>
</tbody>
</table>
| What do you see as the steps involved in achieving this priority, and what is the first step? | - Study session to discuss potential options (do we partner and pitch in with each City and County for example, with CARES dollars?)  
  - Should we consider using some of our CARES funding to help address homelessness with additional voucher dollars, etc?  
  - Some Cities and non profits are partnering on programs like opening emergency shelters and have taken innovative approaches like converting motels into temporary/ bridge housing.  
  - Are there FEMA funds available if we partner as a county? |
| If there is a need for expedited handling this year, provide an explanation | - We have over $1 million of unallocated CARES dollars, County may have additional funds available?  
  - There is immediate and growing need in our community due to COVID-19. |