



Lone Tree City Council Agenda Tuesday, December 6, 2016

Meeting Location: City Council Meeting Room, Lone Tree Civic Center, 8527 Lone Tree Parkway.
Meeting Procedures: The Lone Tree City Council and staff will meet in a public Study Session at 4:30pm. At 6:00pm and following the meeting, if necessary, the Council Meeting will adjourn and convene in Executive Session. If an Executive Session is not necessary, Council will recess for dinner. The Regular Session will be convened at 7:00pm. Study Sessions and Regular Sessions are open to the public, Executive Sessions are not. Study Sessions are informational sessions and no action is taken. Comments from the public are welcome during the Regular Session at these occasions: 1. Public Comment (brief comments on items not on the agenda or scheduled for public hearing or public input) 2. Public Hearings. To arrange accommodations in accordance with the Americans with Disabilities Act at public meetings, contact the City Clerk at least 48 hours prior to the meeting.

4:30pm Study Session Agenda

1. East-West Trail Update
 2. Update on Renovation Planning for Library Reuse
 3. Discussion of Naming for Library Reuse
 4. Overview of Code Updates for Chapters 11, 15, 16, 17, 18 (Public Works/Zoning/Building)
 5. Road X Update
 6. Master IGA w/Park Meadows Metro District Addenda #5 (County Line Road Improvements)
 7. Overview of Xcel Energy Franchise Agreement
-

6:00pm Executive Session Agenda

1. Roll Call
 2. Executive Session
-

7:00pm Regular Session Agenda

3. Opening of Regular Meeting/Pledge of Allegiance
4. Amendments to the Agenda and Adoption of the Agenda
5. Conflict of Interest Inquiry
6. Public Comment
7. Announcements
8. Ceremonial Presentations
 - a. Introduction of 2016 Holiday Card Winner – Elliana Wiesen
9. Consent Agenda
 - a. Minutes of the November 15, 2016 Regular Meeting
 - b. Claims for the Period of November 7-28, 2016
10. Public Works
 - a. Approval Master IGA w/Park Meadows Metro District Addenda #5
11. Administrative Matters
 - a. **Public Hearing: Ordinance 16-05 AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LONE TREE, COLORADO, SALES AND USE TAX REVENUE REFUNDING BONDS (RECREATION PROJECTS), SERIES 2017A, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING SALES AND USE TAX REVENUE BONDS; PLEDGING CERTAIN SALES AND USE TAX REVENUES OF THE CITY FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; AND PROVIDING OTHER COVENANTS AND DETAILS IN CONNECTION THEREWITH (Second Reading)**

- b. **Public Hearing: Ordinance 16-06 AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LONE TREE, COLORADO, SALES AND USE TAX REVENUE REFUNDING BONDS (CULTURAL FACILITIES PROJECTS), SERIES 2017B, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING SALES AND USE TAX REVENUE BONDS; PLEDGING CERTAIN SALES AND USE TAX REVENUES OF THE CITY FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; AND PROVIDING OTHER COVENANTS AND DETAILS IN CONNECTION THEREWITH (Second Reading)**
- c. **Resolution 16-26 ADOPTING THE 2017 CITY OF LONE TREE BUDGET**
- d. **Ordinance 16-07, AN ORDINANCE APPROVING A FRANCHISE AGREEMENT BETWEEN THE CITY OF LONE TREE, COLORADO, AND PUBLIC SERVICE COMPANY OF COLORADO (XCEL ENERGY), GRANTING THE RIGHT TO PROVIDE, SELL AND DELIVER GAS AND ELECTRICITY TO THE CITY AND ITS RESIDENTS USING CITY STREETS AND RIGHTS-OF-WAY, PUBLIC UTILITY EASEMENTS AND OTHER CITY PROPERTY (First Reading)**
- e. **Resolution 16-27, ADOPTING THE AMENDED CITY OF LONE TREE ADMINISTRATIVE FEE SCHEDULE**
- f. **Resolution 16-28, REAPPOINTING AND APPOINTING MEMBERS TO THE ARTS COMMISSION FOR THE CITY OF LONE TREE**
- g. **Resolution 16-29, REAPPOINTING A MEMBER TO THE CITY OF LONE TREE AUDIT COMMISSION**
- h. **Resolution 16-30, REAPPOINTING MEMBERS TO THE CITY OF LONE TREE BOARD OF ADJUSTMENT AND APPEALS**
- i. **Resolution 16-31, REAPPOINTING AND APPOINTING MEMBERS TO THE LONE TREE CITIZENS' RECREATION ADVISORY COMMITTEE**
- j. **Resolution 16-32, REAPPOINTING AND APPOINTING MEMBERS TO THE CITY OF LONE TREE PLANNING COMMISSION**
- k. **Resolution 16-33, APPOINTING A MEMBER TO THE CITY OF LONE TREE YOUTH COMMISSION**
- l. **Resolution 16-34, AUTHORIZING THE PURCHASE OF REAL PROPERTY FOR CONSTRUCTION OF A PEDESTRIAN BRIDGE AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS**
- m. **Resolution 16-35, REGARDING ANNUAL ADMINISTRATIVE MATTERS FOR THE CITY OF LONE TREE FOR 2017**

12. Council Comments

13. Adjournment

City of Lone Tree Upcoming Events

more info available at www.cityoflonetree.com & www.lonetreeartscenter.org

- December 20th Council meeting has been cancelled
- City offices will be closed from noon Friday, December 23rd until 8:00am Tuesday, December 27 in observance of Christmas
- City offices will also be closed on January 2nd in observance of New Year's Day
- Seedlings: Storytime and Winter Crafts, Douglas County Library, 9:30 and 11:00am, Tuesday, December 6th, LTAC Event Hall
- It's A Wonderful Life: A Live Radio Show, December 8 – 18, 2016, LTAC Main Stage
- A Kantorei Christmas, Tuesday, December 20, 2016, 7:30pm, LTAC Main Stage
- Riders in the Sky: Christmas the Cowboy Way, Wed., December 21st, LTAC Main Stage



CITY OF LONE TREE

STAFF REPORT

TO: Mayor Millet and City Council

FROM: Courtney Ozaki Moch, Operations and Business Director, LTAC

FOR: December 6, 2016 Council Meeting

DATE: November 30, 2016

SUBJECT: 2016 Holiday Card

Summary

This year the Arts Commission received Holiday card artwork submissions in a couple of different ways. Acres Green Elementary participated in the call for Holiday artwork as they have in previous years, however - other Lone Tree elementary schools were unfortunately unable to participate. To receive a broader variety of submissions, a Holiday card artwork creation event was hosted by the Arts Commission at the Lone Tree Library. This event was open for any children attending the library to participate in. An art supervisor, Lindsey Hubbell, was present during the event to help guide the young artists as they worked on their Holiday cards.

The Lone Tree Arts Commission selected three pieces from the Acres Green and Library submissions which were presented to the City Council for final selection. The student whose artwork was selected by Council, First Grader Elliana Wiesen, participated in the Holiday artwork creation event at the Lone Tree Library. The winning artwork has been printed on the City's Holiday cards for the 2016 season.

Cost

Eliaana Wiesen will receive her holiday card, framed, a check for \$50.00, and an assortment of art supplies. Lindsey Hubbell will receive a \$25.00 gift certificate to use for art supplies for future art classes.



**MINUTES OF A REGULAR MEETING
OF THE COUNCIL OF THE
CITY OF LONE TREE
HELD
November 15, 2016**

A regular meeting of the Council of the City of Lone Tree was held on Tuesday, November 15, 2016, at 7:00 p.m., at the Lone Tree City Council Chambers located at 8527 Lone Tree Parkway, Lone Tree, Colorado 80124.

Attendance

In attendance were:

Jacqueline Millet, Mayor
Susan Squyer, Mayor Pro Tem
Cathie Brunnick, Council Member
Jay Carpenter, Council Member
Wynne Shaw, Council Member

Also in attendance were:

Seth Hoffman, City Manager
Steve Hebert, Deputy City Manager
Tobi Basile, Deputy City Clerk
Torie Brazitis, Assistant to the City Manager
Jeff Holwell, Economic Development Director
Interim Chief Ron Pinson, Lone Tree Police Department
Kristin Baumgartner, Finance Director
Kelly First, Community Development Director
Lisa Rigsby Peterson, Lone Tree Arts Center Director
Gary White, City Attorney, White, Bear and Ankele, P.C.
Neil Rutledge, Assistant City Attorney, White, Bear and Ankele, P.C.
John Cotten, Public Works Director, TTG Corp.

Call to Order

Mayor Millet called the meeting to order at 6:41 p.m., and observed that a quorum was present.

Executive Session

Mayor Millet announced City Council intends to convene in Executive Session. Neil Rutledge, City Attorney, stated the Executive Session is for a conference with the City Attorney for the purpose of receiving legal advice

on specific legal questions under C.R.S. Section 24-6-402(4)(b) regarding election issues and for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e) regarding franchise issues.

Council Member Shaw moved, Council Member Carpenter seconded, for City Council to recess and convene in Executive Session for the reasons stated. The motion passed with a 5 to 0 vote.

Council adjourned to an Executive Session at 6:41 p.m.

The Executive Session was adjourned at 6:58 p.m.

Mayor Millet reconvened the meeting in Regular Session at 7:01 p.m., following a short recess.

Pledge of Allegiance

Mayor Millet led those assembled in reciting the Pledge of Allegiance.

Amendments to the Agenda

There were no amendments to the agenda.

Conflict of Interest

There was no conflict of interest.

Public Comment

There was no public comment.

Announcements

Andres Pulido, Youth Commissioner, gave Council an update on the Youth Commission.

Mayor Millet announced upcoming events.

Presentations

There was no presentation.

Consent Agenda

Mayor Millet noted the following items on the Consent Agenda, which consisted of:

- *Minutes of the November 1, 2016 Regular Meeting*
- *Claims for the period of October 24-November 7, 2016*
- *Treasurer's Report for September 2016*

Mayor Pro Tem Squyer moved, Council Member Shaw seconded, to approve the Consent Agenda. The motion passed with a 5 to 0 vote.

Administrative Matters

Ordinance 16-05, AN ORDINANCE FOR THE CITY OF LONE TREE, COLORADO, SALES AND USE TAX REVENUE REFUNDING BONDS (Recreation Projects), Series 2017A (First Reading)

Kristin Baumgartner, Finance Director, introduced the item.

Council Member Shaw moved, Council Member Carpenter seconded, to approve **Ordinance 16-05, AN ORDINANCE FOR THE CITY OF LONE TREE, COLORADO, SALES AND USE TAX REVENUE REFUNDING BONDS (Recreation Projects), Series 2017A** on First Reading. The motion passed with a 5 to 0 vote.

Ordinance 16-06 AN ORDINANCE FOR THE CITY OF LONE TREE, COLORADO, SALES AND USE TAX REVENUE REFUNDING BONDS (Cultural Facilities), Series 2017B (First Reading)

Kristin Baumgartner, Finance Director, introduced the item.

Council Member Carpenter moved, Mayor Pro Tem Squyer seconded, to approve **Ordinance 16-06, AN ORDINANCE FOR THE CITY OF LONE TREE, COLORADO, SALES AND USE TAX REVENUE REFUNDING BONDS (Cultural Facilities), Series 2017B** on First Reading. The motion passed with a 5 to 0 vote.

Public Hearing: City of Lone Tree 2017 Budget

Mayor Millet opened the public hearing at 7:23 p.m.

Kristin Baumgartner, Finance Director, introduced the item and noted the budget will be considered for adoption at the December 6, 2016 City Council Meeting.

Mayor Millet opened the public hearing for comment at 7:38 p.m.

There was no public comment.

The public hearing was closed at 7:39 p.m.

Approval of 2nd Amendment to IGA with OmniPark Metropolitan District to Support Lone Tree Link Operations.

Jeff Holwell, Economic Development Director, introduced the item.

Council Member Brunnick moved, Council Member Shaw seconded, to approve the 2016-2017 IGA with the OmniPark Metropolitan District. The motion passed with a 5 to 0 vote.

Adjournment

There being no further business, Mayor Millet adjourned the meeting at 7:54 p.m.

Respectfully submitted,

Tobi Basile, Deputy City Clerk



CITY OF LONE TREE

STAFF REPORT

TO: Mayor Millet and City Council

FROM: John P. Cotten, P.E., Public Works Director

FOR: December 6, 2016 Council Meeting

DATE: November 29, 2016

SUBJECT: Addenda 5 to the IGA between Park Meadows Metropolitan District and the City of Lone Tree

Summary

This Addendum 5 to the master Intergovernmental Agreement (IGA) between the City and Park Meadows Metropolitan District (PMMD) provides a commitment to fund \$750,000 from PMMD to be used as support for the Douglas County project to improve County Line Road. The City will be passing this money (\$250,000 in 2017 and \$500,000 in 2018) on to Douglas County per an IGA between the City and the County that is currently being drafted by the County.

Cost

There is no cost to the City that results from approving this addendum.

Suggested Motion or Recommended Action

I move to approve Addendums Number 5 to the Master Intergovernmental Agreement between Park Meadows Metropolitan District and the City of Lone Tree regarding Public Improvements and authorize the City Manager to execute the addendum documents.

Background

The City and Park Meadows Metropolitan District approved a previous master IGA expressly for the purpose of streamlining the process of partnering on projects that are jointly funded by the parties. This addendum is for the purpose of documenting the funding that PMMD will provide related to the Douglas County improvements project on County Line Road between Chester Street and I-25.

PUBLIC IMPROVEMENT PROJECT DESIGNATION ADDENDUM NO. 5

MASTER
INTERGOVERNMENTAL AGREEMENT
BETWEEN PARK MEADOWS METROPOLITAN DISTRICT AND
CITY OF LONE TREE REGARDING PUBLIC IMPROVEMENTS

This Public Improvement Project Designation Addendum No. 5 authorizes the Parties to participate in partial funding of the Public Improvements described below pursuant to the terms hereof and the terms of the above-named Intergovernmental Agreement. The terms of this Public Improvement Project Designation Addendum No. 5 supplement the Intergovernmental Agreement.

1. PUBLIC IMPROVEMENTS. The Parties hereby agree to cooperate in the funding of the Public Improvements described below, which shall be undertaken and completed by Douglas County, Colorado:

Capital improvements to the segment of County Line Road between Chester Street and Interstate 25, including modifications to the existing I-25 ramps and Park Meadows Center Drive and relocation and reconstruction of the entrance to the Park Meadows Shopping Mall adjacent to P.F. Chang's restaurant.

2. TIME FOR PERFORMANCE. The Parties acknowledge and agree that each of the District payments described below shall be made to the City within thirty (30) days following receipt by the District of a request for payment. The City will in turn pay the funds contributed by the District, along with additional funds contributed by the City, as described below, to Douglas County for use as partial funding for the Public Improvements.

3. PROJECT MANAGEMENT. The District shall have no responsibility the management of the construction above-described Public Improvements.

4. MAINTENANCE OF PUBLIC IMPROVEMENTS. The District shall have no responsibility for any form of maintenance of the above-described Public Improvements.

5. ALLOCATION OF FUNDING AND PAYMENT. The City and the District agree to allocate the funding of the above-described Public Improvements as follows:

The contract price for the Public Improvements described above is anticipated to be Four Million Two Hundred Thousand Dollars (\$4,200,000). Two Million Six Hundred Thousand Dollars (\$2,600,000) is estimated for the improvements to the existing I-25 ramps and Park Meadows Center Drive, and One Million Six Hundred Thousand Dollars (\$1,600,000) is estimated for the improvements to the Park Meadows Shopping Mall entrance adjacent to P.F. Chang's restaurant.

The District's total contribution for the Public Improvements shall not exceed Seven Hundred Fifty Thousand Dollars (\$750,000), with the District contributing

Two Hundred Fifty Thousand Dollars (\$250,000) in 2017 and Five Hundred Thousand Dollars (\$500,000) in 2018. The District's contribution of Five Hundred Thousand Dollars (\$500,000) in 2018 shall be subject to annual appropriation by the Board of Directors in the context of the 2018 budget for the District and is not intended to create a multiple fiscal year obligation. Prior approval by the District Board shall be required for any District contribution in excess of Seven Hundred Fifty Thousand Dollars (\$750,000).

The City shall contribute Two Hundred Fifty Thousand Dollars (\$250,000) toward the Public Improvements and will also facilitate the replacement of the traffic signal at the intersection of Park Meadows Center Drive with County Line Road and the southbound I-25 off-ramp. The City will also accept maintenance, management, repair and replacement responsibility for said traffic signal as well as the traffic signal at the intersection of County Line Road and the northbound I-25 off-ramp in perpetuity per a separate IGA currently under negotiation with the Colorado Department of Transportation.

(Remainder of page intentionally left blank)

By the signature of their authorized representatives below, the Parties agree to the terms and conditions of this Public Improvement Project Designation Addendum No. 5.

CITY OF LONE TREE, COLORADO, a home rule municipal corporation of the State of Colorado

Date: _____

By: _____
_____, Mayor

ATTEST:

By: _____
_____, City Clerk

PARK MEADOWS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

Date: _____

By: _____
Greg Kelly, President

ATTEST:

By: _____
Thomas Haning, Secretary



CITY OF LONE TREE

STAFF REPORT

TO: Mayor Millet and City Council

FROM: Kristin Baumgartner, Finance Director

FOR: December 6, 2016, Council Meeting

DATE: November 30, 2016

SUBJECT: Ordinance 16-05 – City of Lone Tree, Colorado, Sales Tax and Use Tax Revenue Refunding Bonds (Recreation Projects), Series 2017A

Ordinance 16-06 – City of Lone Tree, Colorado, Sales Tax and Use Tax Revenue Refunding Bonds (Cultural Facilities), Series 2017B

Summary

The City is looking to refund its existing two bond issuances, the Series 2008A Recreation Projects Bonds and the Series 2009 Cultural Facilities Projects Bonds. It is advantageous at this time to refund these two bond issuances as it is anticipated that the City will see savings of over \$600,000 in interest costs over the next 7 years. The original pay-off date of December 2023 will be maintained and the savings can be used to fund additional capital improvements for park and recreation and arts and cultural projects in the future.

City staff, bond counsel and the bond underwriter will be present at the meeting to make a presentation on the attached ordinances and be available for questions from Council.

Cost

Cost of issuance related to the refunding is approximately \$108,000 which will be paid through the refunding transaction. The City anticipates interest savings in excess of \$600,000 after the cost of issuance.

Suggested Motion or Recommended Action

I move to approve Ordinance 16-05, AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LONE TREE, COLORADO, SALES AND USE TAX REVENUE REFUNDING BONDS (RECREATION PROJECTS), SERIES 2017A, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING SALES AND USE TAX REVENUE BONDS; PLEDGING CERTAIN SALES AND USE TAX REVENUES OF THE CITY FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; AND PROVIDING OTHER COVENANTS AND DETAILS IN CONNECTION THEREWITH on second reading.

I move to approve Ordinance 16-06, AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LONE TREE, COLORADO, SALES AND USE TAX REVENUE REFUNDING BONDS (CULTURAL FACILITIES PROJECTS), SERIES 2017B, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING SALES AND USE TAX REVENUE BONDS; PLEDGING CERTAIN SALES AND USE TAX REVENUES OF THE CITY FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; AND PROVIDING OTHER COVENANTS AND DETAILS IN CONNECTION THEREWITH on second reading.

Background

In 2008, City voters approved two sales tax increases to fund bond issuances including a .125% sales and use tax increase for Park and Recreation and a .1875% sales and use tax increase for Arts and Cultural. These sales tax increases became effective July 1, 2008 and expire on December 31, 2023 or when the bonds are paid off, whichever comes first.

In 2008, the City issued Park and Recreation Bonds, Series 2008A, in the principal amount of \$11,000,000 which proceeds were used to fund various projects including Cook Creek Pool, the Tennis Courts at the Golf Course and Prairie Sky Park.

In 2009, the City issued Arts and Cultural Bonds, Series 2009, in the principal amount of \$16,880,000 which proceeds were used to fund the construction of the Lone Tree Arts Center.

**ORDINANCE OF THE
CITY OF LONE TREE**

SERIES OF 2016

ORDINANCE 16-05

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LONE TREE, COLORADO, SALES AND USE TAX REVENUE REFUNDING BONDS (RECREATION PROJECTS), SERIES 2017A, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING SALES AND USE TAX REVENUE BONDS; PLEDGING CERTAIN SALES AND USE TAX REVENUES OF THE CITY FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; AND PROVIDING OTHER COVENANTS AND DETAILS IN CONNECTION THEREWITH

THE COUNCIL OF THE CITY OF LONE TREE, COLORADO, ORDAINS:

Section 1. Definitions. Terms used in this Ordinance shall have the meanings specified in this Section for all purposes of this Ordinance and of any ordinance amendatory hereof or supplemental hereto, or relating hereto, and of any instrument or document appertaining hereto, except where the context by clear implication otherwise requires. All definitions include the singular and plural and include all genders.

Additional Obligations: any series of bonds, notes, certificates, contracts, or other similar obligations hereafter issued in accordance with Section 19 hereof.

Bond Account: the “City of Lone Tree, Colorado, Sales and Use Tax Revenue Refunding Bonds (Recreation Projects), Series 2017A Bond Account,” which hereby created for the purpose of paying the principal of, prior redemption premium, if any, and interest on the Bonds.

Bond Insurance Policy: the financial guaranty insurance policy or municipal bond insurance policy issued by the Bond Insurer insuring the payment when due of the principal of and interest on the Bonds, if set forth in the Sale Certificate.

Bond Insurer: the provider of any financial guaranty insurance policy or municipal bond insurance policy, or any successor thereto, if set forth in the Sale Certificate.

Bond Registrar or Registrar: UMB Bank, n.a., Denver, Colorado, or its successor, which shall perform the registration and transfer functions as set forth in this Ordinance.

Bond Reserve Insurance Policy: any unconditional and irrevocable insurance policy, surety bond, letter of credit or similar instrument deposited in or credited to the Reserve Account in lieu of or in partial substitution for moneys on deposit therein. If the Bonds are secured

by a Bond Insurance Policy, the issuer providing any such Bond Reserve Insurance Policy shall be the Bond Insurer or an issuer approved by the Bond Insurer.

Bonds: the City's Sales and Use Tax Revenue Refunding Bonds (Recreation Projects), Series 2017A.

Business Day: any day other than a Saturday, Sunday or other day on which banks in Denver, Colorado or New York, New York are required or authorized to be closed.

Charter: the home rule charter of the City, as it may be amended from time to time.

City: the City of Lone Tree, Colorado.

City Manager: the City Manager of the City.

Code: the municipal code of the City, as it may be amended from time to time.

Continuing Disclosure Certificate: the Continuing Disclosure Certificate for the Bonds executed by the City.

Council: the City Council of the City.

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

Cultural Facilities Sales and Use Tax Revenues: the proceeds of the City's presently existing 0.1875% cultural facilities sales and use tax imposed pursuant to Ordinance No. 08-10 and Sections 4-3-110 and 4-3-120 of the Code and any future or amended cultural facilities sales and use tax levied by the City.

Escrow Account means a special fund and separate trust account to be established and maintained pursuant to the Escrow Agreement and this Authorizing Ordinance for the purpose of paying the principal of and interest on the Refunded Bonds.

Escrow Agent means UMB Bank, n.a., Denver, Colorado, and any successor and assign thereof, being a Commercial Bank, a member of the Federal Deposit Insurance Corporation and having full and complete trust powers, where the Escrow Account is established and maintained.

Escrow Agreement means the "Escrow Agreement," entered into by and between the City and the Escrow Agent concerning the establishment and maintenance of the Escrow Account.

Event of Default: one or more of the events set forth in Section 22 of this Ordinance.

Federal Securities: direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the

United States of America, provided that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee.

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

General Sales and Use Tax Revenues: the proceeds the City's presently existing 1.50% general sales and use tax as imposed by Sections 4-3-110 and 4-3-120 of the Code. General Sales and Use Tax Revenues also includes the proceeds derived by the City from any legally available tax or taxes or fees (other than a general ad valorem tax) which replace or supersede the City's presently existing general sales and use tax in the amount of 1.50%, regardless of whether such tax or taxes or fees are imposed by the City or the State or another political subdivision thereof.

General Sales and Use Tax Revenues do not include:

(i) incremental sales taxes which are or may be required to be paid into a special fund, or pledged to the payment of obligations pursuant to an urban renewal plan as defined in Section 31-25-103(9), C.R.S., or a plan of development as defined in Section 31-25-802(6.4), C.R.S. or a value capture plan as defined in Section 43-4-508, C.R.S.; or

(ii) amounts withheld by retailers and vendors to cover their expenses in collecting and remitting the General Sales and Use Tax Revenues, and amounts collected by the City and subsequently determined, pursuant to Sections 4-3-370 through 4-3-400 of the Code and other applicable law, to be subject to valid claims for refunds;

(iii) the proceeds of any increase in the City's sales or use tax which may be approved in the future, unless such increase is expressly pledged by the City for the payment of the Bonds;

(iv) the Recreation Sales and Use Tax Revenues;

(v) the Cultural Facilities Sales and Use Tax Revenues; or

(vi) amounts payable by the City under the Sales Tax Sharing Agreements.

Insurance Agreement: an agreement entered into between the City and the Bond Insurer pursuant to Section 3 hereof.

Maximum Annual Combined Debt Service Requirement: the maximum amount of all required payments of principal and interest on the Bonds, the 2008A Bonds, the 2009 Bonds, the 2017B Bonds, and any Parity Lien Bonds, and any Parity Lien Recreation Bonds which will become due in any Fiscal Year.

Maximum Annual Debt Service Requirement: the maximum amount of all required payments of principal and interest on the Bonds, the 2008A Bonds, the 2009 Bonds, the 2017B Bonds, and any Parity Lien Bonds, and any Parity Lien Recreation Bonds which will become due in any Fiscal Year.

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

Mayor: the Mayor of the City.

Official Statement: the Official Statement delivered in connection with the original issue and sale of the Bonds.

Ordinance: this Ordinance, which authorizes the issuance of the Bonds.

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

(a) Bonds theretofore canceled by the City, Registrar or Paying Agent, or surrendered to the City, Registrar or Paying Agent for cancellation;

(b) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the City and authenticated by the Registrar unless proof satisfactory to the Registrar is presented that any such Bonds are duly held by the lawful registered Owners thereof; or

(c) Bonds deemed to have been paid as provided in Section 20 hereof.

Owner or Registered Owner: when used with respect to a Bond or Bonds, means the registered owner of any Outstanding Bond.

Parity Lien Bonds: bonds, notes, certificates, contracts, or other similar obligations hereafter issued in accordance with Section 19(a) hereof, payable in whole or in part from the General Sales and Use Tax Revenues and having a lien thereon on a parity with the lien of the Bonds, the 2008A Bonds, the 2009 Bonds and the 2017B Bonds.

Parity Lien Recreation Bonds: bonds, notes, certificates, contracts, or other similar obligations hereafter issued in accordance with Section 19(b) hereof, payable in whole or in part from the Recreation Sales and Use Tax Revenues and having a lien thereon on a parity with the lien of the Bonds and the 2008A Bonds.

Paying Agent: UMB Bank, n.a., Denver, Colorado, or its successor, which shall perform the function of paying agent as set forth in this Ordinance.

Paying Agent Agreement: the Registrar and Paying Agent Agreement between the City and the Registrar and Paying Agent.

Permitted Investments: any investments or deposits which are at the time permitted by the Charter and applicable ordinances or other provisions of the City.

Pledged Revenues: the Recreation Sales and Use Tax Revenues and the General Sales and Use Tax Revenues, including investment income as provided in Section 17(h) hereof. The term “Pledged Revenues” does not include the Cultural Facilities Sales and Use Tax Revenues or amounts in or required to be paid into the Rebate Account.

Principal Operations Office: the principal operations office of the Registrar or the Paying Agent, as designated in writing to the City from time to time.

Purchase Contract: the Bond Purchase Agreement between the Purchaser and the City with respect to the sale and delivery of the Bonds.

Purchaser: Stifel, Nicolaus & Company, Incorporated, of Denver, Colorado, the original purchaser of the Bonds.

Rebate Account: the account created and designated as such pursuant to Section 17(e) hereof.

Record Date: the fifteenth (15th) day of the calendar month next preceding each interest payment date.

Recreation Sales and Use Tax Revenues: the proceeds of the City’s presently existing 0.125% park and recreation sales and use tax imposed pursuant to Ordinance No. 08-10 and Sections 4-3-110 and 4-3-120 of the Code and any future or amended park and recreation sales and use tax levied by the City and specifically pledged by the Council to the payment of the Bonds. Recreation Sales and Use Tax Revenues also includes the proceeds derived by the City from any legally available tax or taxes or fees (other than a general ad valorem tax) which replace or supersede the City’s presently existing park and recreation sales and use tax or any future or amended park and recreation sales and use tax, regardless of whether such tax or taxes or fees are imposed by the City or the State or another political subdivision thereof.

Recreation Sales and Use Tax Revenues do not include:

(i) incremental sales taxes which are or may be required to be paid into a special fund, or pledged to the payment of obligations pursuant to an urban renewal plan as defined in Section 31-25-103(9), C.R.S., or a plan of development as defined in Section 31-25-802(6.4), C.R.S. or a value capture plan as defined in Section 43-4-508, C.R.S.;

(ii) amounts withheld by retailers and vendors to cover their expenses in collecting and remitting the Recreation Sales and Use Tax Revenues, and amounts collected by the City and subsequently determined, pursuant to Sections 4-3-370 through 4-3-400 of the Code and other applicable law, to be subject to valid claims for refunds;

(iii) the proceeds of any increase in the City’s park and recreation sales or use tax which may be approved in the future, unless such increase is expressly pledged by the City for the payment of the Bonds; or

(iv) amounts payable by the City under the Sales Tax Sharing Agreements.

Redemption Date means earliest date on which the Refunded Bonds may be called for redemption as specified in the Sale Certificate.

Refunded Bonds means any of the currently outstanding 2008A Bonds as specified in the Sale Certificate.

Refunded Bond Requirements means the payment of (i) the interest due on the Refunded Bonds on and before the Redemption Date and (ii) the principal of the Refunded Bonds due on or before the Redemption Date.

Refunding Project means (a) the payment of the Refunded Bond Requirements and (b) the payment of the costs of issuing the Bonds.

Reserve Account: the “City of Lone Tree, Colorado, Sales and Use Tax Revenue Refunding Bonds (Recreation Projects), Series 2017A Reserve Account,” which is hereby created for the purpose of providing additional security for paying the principal of, prior redemption premium, if any, and interest on the Bonds.

Reserve Account Requirement: zero dollars until such time as the City is required to fund the Reserve Account pursuant to Section 17(b) hereof. Thereafter, “Reserve Account Requirement” shall mean an amount equal to the least of (i) 10% of the original proceeds, as defined in the Tax Code, of the Bonds; (ii) 100% of the maximum amount of all required payments of principal and interest on the Bonds which will become due in any Fiscal Year, or (iii) 125% of the average amount of all required payments of principal and interest on the Bonds which will become due in any Fiscal Year, to be maintained in the Reserve Account, except to the extent of any Bond Reserve Insurance Policy therein.

Sale Certificate: the certificate executed by the Mayor or the City Manager dated on or before the date of delivery of the Bonds, setting forth (i) the specific maturities of the Refunded Bonds to be refunded; (ii) the rates of interest on the Bonds, (iii) the conditions on which and the prices at which the Bonds may be called for redemption; (iv) the existence and amount of any capitalized interest or reserve fund; (v) the price at which the Bonds will be sold; (vi) the principal amount of the Bonds; (vii) the amount of principal of the Bonds maturing on each date; (viii) the dates on which principal and interest will be paid and the first interest payment date; (ix) whether the Bonds will be secured by a municipal bond insurance policy or financial guaranty insurance policy; and (ix) any other matters which may be determined by the Mayor or the City Manager pursuant to Section 11-57-205 of the Supplemental Act.

Sales Tax Sharing Agreements: the Sales Tax Sharing Agreement between the City and Colony Investments, Inc. made and entered into as of September 18, 2001, as amended January 1, 2015, and the Intergovernmental Agreement between the City and Park Meadows Business Improvement District, dated as of December 15, 2006, as amended by the First Amendment to Intergovernmental Agreement, made and entered into as of December 19, 2006.

Special Record Date: a special date fixed to determine the names and addresses of Owners of Bonds for purposes of paying interest on a special interest payment date for the payment of defaulted interest.

Subordinate Lien Bonds: bonds, notes, certificates, contracts, or other similar obligations issued in accordance with Section 17 and Section 19(a) hereof, payable in whole or in part from the General Sales and Use Tax Revenues and having a lien thereon which is subordinate to the lien of the Bonds, the 2008A Bonds, the 2009 Bonds, the 2017B Bonds, and any Parity Lien Bonds, including, without limitation, certain obligations of the City under various contracts as may be in effect from time to time pursuant to which the City agrees to rebate portions of its sales and use tax revenues to other parties to such contracts which contracts are expressly subordinate to the lien of the Bonds, 2008A Bonds, the 2009 Bonds, the 2017B Bonds, and any Parity Lien Bonds on the General Sales and Use Tax Revenues.

Subordinate Lien Recreation Bonds: bonds, notes, certificates, contracts, or other similar obligations issued in accordance with Section 17 and Section 19(b) hereof, payable in whole or in part from the Recreation Sales and Use Tax Revenues and having a lien thereon which is subordinate to the lien of the Bonds, the 2008B Bonds and any Parity Lien Recreation Bonds, including, without limitation, certain obligations of the City under various contracts as may be in effect from time to time pursuant to which the City agrees to rebate portions of its sales and use tax revenues to other parties to such contracts which contracts are expressly subordinate to the lien of the Bonds, the 2008A Bonds and any Parity Lien Recreation Bonds on the Recreation Sales and Use Tax Revenues.

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

Tax Code: the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and applicable regulations and rulings thereunder or under any predecessor thereto.

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

2008 Election means the election held within the City on May 6, 2008, pursuant to which the 2008A Bonds and 2009 Bonds were issued.

2008A Bonds; the City's Sales and Use Tax Revenue Bonds (Recreation Projects), Series 2008A, originally issued in the aggregate principal amount of \$11,000,000.

2008A Ordinance: Ordinance No. 08-11 of the City adopted on August 19, 2008, authorizing the issuance of the 2008A Bonds.

2009 Bonds: the City's Sales and Use Tax Revenue Bonds (Cultural Facilities Projects), Series 2009, originally issued in the aggregate principal amount of \$16,880,000.

2009 Ordinance: Ordinance No. 08-12, as amended by Ordinance No. 09-03, adopted by the City on August 19, 2008, and as amended on July 7, 2009, authorizing the issuance of the 2009 Bonds.

2017B Bonds: the City's Sales and Use Tax Revenue Refunding Bonds (Cultural Facilities Projects), Series 2017B expected to be issued concurrently with the Bonds. In the event that the 2017B Bonds are not issued, any reference herein to the 2017B Bonds shall be of no force or effect.

2017B Ordinance: the ordinance of the City adopted concurrently herewith authorizing the issuance of the 2017B Bonds.

Section 2. Recitals.

A. The City is a legally and regularly created, established, organized and existing municipal corporation under the provisions of Article XX of the Constitution of the State of Colorado and the Charter.

B. Section 13.4 of the Charter provides that the City may issue securities payable solely from revenues derived from the proceeds of any sales tax or use tax by action of Council and without an election.

C. Article X, Section 20 of the Colorado Constitution requires voter approval in advance for the creation of any new tax, any tax rate increase, and any multiple-fiscal year direct or indirect debt or other financial obligation.

D. At the 2008 Election, a majority of the qualified electors of the City voting thereon approved the issuance of revenue bonds and an increase in the City's sales and use tax pursuant to the following question (the "Recreation Question"):

SHALL CITY OF LONE TREE DEBT BE INCREASED \$12.5 MILLION WITH A MAXIMUM REPAYMENT COST OF \$21.1 MILLION AND SHALL CITY SALES AND USE TAXES BE INCREASED UP TO \$1.75 MILLION ANNUALLY IN THE FIRST FULL FISCAL YEAR AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER, BY INCREASING THE RATE OF SALES AND USE TAX LEVIED BY THE CITY BY .125 PERCENT (12.5 CENTS ON A \$100 PURCHASE) SUBJECT TO THE FOLLOWING LIMITATIONS:

- ◆ THE PROCEEDS OF THE DEBT AND THE TAXES SHALL BE USED TO FINANCE, WITHIN THE BOUNDARIES OF THE CITY, FOR THE BENEFIT OF CITY RESIDENTS, PARK AND RECREATION FACILITIES, INCLUDING, BUT NOT LIMITED TO, COMMUNITY PARKS, BIKE PATHS AND PEDESTRIAN WAYS, TRAILS, FIELDS, TOT LOTS,

PLAYGROUNDS FOR CHILDREN, OPEN SPACE, COMMON AREAS, COMMUNITY RECREATION CENTERS, TENNIS COURTS, AND SWIMMING POOLS, AND TO PAY THE COST OF ISSUANCE OF THE DEBT, INCLUDING ANY NECESSARY RESERVES;

- ◆ THE INCREASE IN THE SALES AND USE TAX RATE SHALL BEGIN ON JULY 1, 2008 AND END ON DECEMBER 31, 2023 OR AFTER THE FULL PAYMENT OF SUCH DEBT, WHICHEVER COMES FIRST;
- ◆ THE CITY MAY PLEDGE TO THE PAYMENT OF THE DEBT SUCH SALES AND USE TAX REVENUES, INVESTMENT INCOME, AND OTHER CITY REVENUES AS THE CITY COUNCIL MAY DETERMINE;
- ◆ THE SPECIFIC TERMS OF THE DEBT SHALL BE DETERMINED BY THE CITY COUNCIL AS NECESSARY AND PRUDENT AND MAY INCLUDE A PROVISION FOR EARLY REPAYMENT WITH OR WITHOUT A PREMIUM OF NOT MORE THAN 3%;

AND SHALL THE CITY BE AUTHORIZED TO ISSUE DEBT TO REFUND THE DEBT AUTHORIZED IN THIS QUESTION, PROVIDED THAT AFTER THE ISSUANCE OF SUCH REFUNDING DEBT THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF ALL DEBT ISSUED PURSUANT TO THIS QUESTION DOES NOT EXCEED THE MAXIMUM PRINCIPAL AMOUNT SET FORTH ABOVE, AND PROVIDED FURTHER THAT ALL DEBT ISSUED BY THE CITY PURSUANT TO THIS QUESTION IS ISSUED ON TERMS THAT DO NOT EXCEED THE REPAYMENT COSTS AUTHORIZED IN THIS QUESTION; AND SHALL THE CITY BE AUTHORIZED TO USE THE PROCEEDS OF SUCH TAXES TO HONOR SALES AND USE TAX REVENUE SHARING CONTRACTUAL COMMITMENTS; AND SHALL THE REVENUES RAISED BY SUCH SALES AND USE TAX RATE INCREASE AND PROCEEDS OF SUCH DEBT, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE CITY AS A VOTER-APPROVED REVENUE CHANGE PURSUANT TO ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

E. Pursuant to the 2008 Election, the City has previously issued the 2008A Bonds, in the original aggregate principal amount of \$11,000,000, which are outstanding as of January 1, 2017, in the aggregate principal amount of \$6,610,000.

F. The 2008A Bonds maturing on and after December 1, 2019, are subject to redemption prior to maturity at the option of the City on December 1, 2018, and on any date thereafter, at the redemption price equal to the principal amount so redeemed, plus accrued interest to the redemption date without a redemption premium.

G. The City now desires to use a portion of the proceeds of the Bonds to refund, pay and discharge any of the 2008A Bonds designated in the Sale Certificate, and to place such funds in escrow, in order to pay, discharge and redeem the Refunded Bonds and to pay the Refunded Bond Requirements.

H. The City is not delinquent in the payment of the principal of or interest on any of the 2008A Bonds.

I. Pursuant to Article X, Section 20(4) of the Colorado Constitution, the Bonds may be issued without voter approval to refinance debt at a lower interest rate.

J. Pursuant to Section 13.5 of the Charter, the City may issue refunding securities for the purpose of refunding and providing for the payment of outstanding securities or other obligations of the City as the same mature, or in advance of maturity by means of an escrow or otherwise.

K. The Council hereby determines to authorize and issue the Bonds for the purpose of defraying the costs of the Refunding Project.

L. The City desires to pledge the Pledged Revenues to secure the payment of the principal of, interest on and prior redemption premium, if any, due in connection with the Bonds on a parity with the Parity Lien Bonds and the Parity Lien Recreation Bonds.

M. The Bonds shall be secured and payable from the available proceeds of the City's Recreation Sales and Use Tax Revenue imposed and collected pursuant to the Recreation Question.

N. The Bonds additionally shall be secured and payable from the available proceeds of the General Sales and Use Tax Revenue on a parity with the lien thereon of the 2008A, the 2009 Bonds, the 2017B Bonds and any Parity Lien Bonds hereafter issued.

O. The Bonds shall not be secured by or payable from the proceeds of the Cultural Facilities Sales and Use Tax Revenue, which is imposed and collected specifically for cultural facilities that will not be financed with the proceeds of the Bonds.

P. Other than the Sales Tax Sharing Agreements, the 2008A Bonds, the 2009 Bonds, and the 2017B Bonds, there are no outstanding liens on any of the City's sales and use tax, such tax has not been pledged to the payment of any bonds or for any purpose, and a portion of

such tax may now be pledged lawfully and irrevocably for the payment of the Bonds as set forth herein.

Q. The Bonds shall constitute a special revenue obligation of the City payable from and secured by the Pledged Revenues, subject to the limitations set forth herein, and the Bonds shall not constitute a debt or an indebtedness of the City payable from ad valorem taxes or to which the full faith and credit of the City are pledged, or held to be a general obligation of the City.

R. After consideration, the City Council has determined that delivery of the Bonds and implementing the Refunding Project is in the best interests of the City and the residents thereof.

S. Pursuant to the Escrow Agreement there shall be placed in escrow and in trust with the Escrow Agent, a portion of the proceeds of the Bonds, together with such other legally available moneys of the City as may be necessary, in an amount sufficient to meet all requirements of principal and interest on the Refunded Bonds as the same shall become due upon maturity or prior redemption on the Redemption Date.

T. There are on file with the City Clerk the following:

- (i) the form of Purchase Contract;
- (ii) the form of the Escrow Agreement;
- (iii) the form of Registrar and Paying Agent Agreement;
- (iv) the form of a Preliminary Official Statement;
- (v) the form of a Continuing Disclosure Certificate.

U. None of the members of the Council have any potential conflicting interests in connection with the authorization, issuance, or execution of the Bonds, or the use of the proceeds of the Bonds.

V. Section 11-57-204 of 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.

W. It is necessary to provide for the form and details of the Bonds, the payment of the Bonds, and other provisions relating to the authorization and issuance of the Bonds.

Section 3. Authorization and Election to Apply the Supplemental Public Securities Act to the Bonds. In accordance with the Charter, the constitution and laws of the State of Colorado, and the provisions of this Ordinance, for the purpose of financing the costs of the Refunding Project, there are hereby authorized to be issued fully registered sales and use tax revenue bonds of the City, each to be designated “City of Lone Tree, Colorado, Sales and Use Tax Revenue Refunding Bonds (Recreation Projects), Series 2017A,” in an aggregate principal amount not to exceed \$5,600,000, to be payable and collectible, as to principal, prior redemption premium, if any, and interest, from the Pledged Revenues. Section 11-57-204 of 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 to the Bonds. The Council hereby elects to apply all of the Supplemental Act to the Bonds. The Bonds are issued under the authority of the Supplemental Act and shall so recite as provided in Section 8 hereof. Pursuant to Section 11-57-210, C.R.S., such recital conclusively imparts full compliance with all the provisions of said sections, and the Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

Either the Mayor or the City Manager is hereby independently authorized and directed to execute and deliver the Sale Certificate and to make and approve the final determinations contained therein, subject to the parameters and restrictions of this Ordinance. Either the Mayor or the City Manager is hereby authorized to determine if obtaining municipal bond insurance or financial guaranty insurance is in the best interest of the City, and if so, to select a Bond Insurer to issue the Bond Insurance Policy, execute a commitment relating to the same, and execute any Insurance Agreement and any other documents or instruments required by such commitment. If it is determined that the Bonds will be sold without a municipal bond insurance policy or financial guaranty insurance policy, all references herein to Bond Insurer, Bond Insurance Policy and Insurance Agreement are of no force or effect.

Section 4. Special Obligations; Pledge; Negotiability.

(a) Special Obligations. All of the Bonds, together with the interest thereon and any prior redemption premium, shall be payable and collectible only out of the Pledged Revenues and any moneys and securities paid or to be paid to or held or to be held in the Bond Account and the Reserve Account, which are hereby so pledged and are to be deposited and maintained as required by Section 17 hereof. The Owner or Owners of the Bonds may not look to any ad valorem property taxes levied or collected by the City for the payment of the principal of, prior redemption premium, if any, and interest on the Bonds. The Bonds shall constitute special limited obligations of the City and shall not constitute a debt or an indebtedness of the City within the meaning of any constitutional, Charter, or statutory provision or limitation; nor shall they be considered or held to be general obligations of the City. None of the covenants, agreements, representations and warranties contained herein or in the Bonds shall ever impose or be construed as imposing any liability, obligation or charge against the City (except to the extent of the Pledged Revenues and any moneys and securities paid or to be paid to or held or to be held in the Bond Account and the Reserve Account) or its general credit, payable out of its general funds or out of any funds derived from ad valorem property taxation. The Cultural Facilities Sales and Use Tax Revenues shall not constitute Pledged Revenues and shall not be pledged for the payment of the Bonds.

(b) Pledge Securing the Bonds. The Bonds constitute a pledge of, and an irrevocable lien (but not necessarily an exclusive such lien) on the Pledged Revenues and any moneys and securities paid or to be paid to or held or to be held in the Bond Account and the Reserve Account. The Bonds are equitably and ratably secured by a lien on the Pledged Revenues. The pledge of the General Sales and Use Tax Revenues (as part of the Pledged Revenues) to secure the payment of the principal of, prior redemption premiums, if any, and interest on the Bonds is on a parity with the pledge of the General Sales and Use Tax Revenues for and lien thereon of the 2008A Bonds, the 2009 Bonds, the 2017B Bonds, and any Parity Lien Bonds hereafter issued, as provided herein. The pledge of the Recreation Sales and Use Tax Revenues (as part of the Pledged Revenues) to secure the payment of the principal of, prior redemption premiums, if any, and interest on the Bonds is on a parity with the pledge of the Recreation Sales and Use Tax Revenues for and lien thereon of the 2008A Bonds and any Parity Lien Recreation Bonds hereafter issued, as provided herein. The amounts required to be paid by the City under the Sales Tax Sharing Agreements are excluded from the pledge which secures the payment of the 2008A Bonds, the 2009 Bonds, the 2017B Bonds and the Bonds. This pledge of the Pledged Revenues shall be valid and binding from and after the date of the delivery of the Bonds, and the Pledged Revenues received by the City and hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act. The lien of this pledge of the Pledged Revenues shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City irrespective of whether such parties have notice thereof. The lien of this pledge on the Pledged Revenues and the obligation to perform the contractual provisions made herein shall have priority over any or all other obligations and liabilities of the City, except with respect to the parity lien on the General Sales and Use Tax Revenues of the 2008A Bonds, 2009 Bonds, 2017B Bonds, and any Parity Lien Bonds hereafter issued, as provided herein, and except with respect to the 2008A Bonds and any parity lien on the Recreation Sales and Use Tax Revenues which may be pledged to any Parity Lien Recreation Bonds hereafter issued, as provided herein.

(c) No Pledge of Property. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City, except the Pledged Revenues and any moneys and securities paid or to be paid to or held or to be held in the Bond Account and the Reserve Account as provided herein. No property of the City, subject to such exception, shall be liable to be forfeited or taken in payment of the Bonds.

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

(e) Negotiability. The issuance of the Bonds by the City shall constitute a warranty by and on behalf of the City for the benefit of each and every Owner of any of the Bonds that the Bonds have been issued for valuable consideration in full conformity with law. Subject to the registration provisions hereof and Section 11 hereof, the Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the Owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Colorado

Uniform Commercial Code. The principal of, prior redemption premium, if any, and interest on the Bonds shall be paid, and the Bonds shall be transferable, free from and without regard to any equities between the City and the original or any intermediate Owner of any Bonds or any setoffs or cross-claims.

Section 5. Bond Details.

(a) The Bonds shall be issued in fully registered form (i.e., registered as to payment of both principal and interest), initially registered in the name of Cede and Co. as nominee for The Depository Trust Company, New York, New York, as securities depository for the Bonds. The Bonds shall be issued in denominations of \$5,000 or integral multiples thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on its maturity date and no individual Bond will be issued for more than one maturity and interest rate). The Bonds shall be numbered in such manner as the Registrar shall determine.

(b) The Bonds shall be dated as of the date of their delivery to the Purchaser. The Bonds shall mature, bear interest from their dated date to maturity and be sold, all as provided in the Sale Certificate; provided that:

- (i) the aggregate principal amount of the Bonds shall not exceed \$5,600,000;
- (ii) the Bonds shall mature no later than December 1, 2023;
- (iii) the purchase price of the Bonds, shall not be less than 98% of the principal amount thereof;
- (iv) the Bonds shall not be subject to redemption prior to maturity at the option of the City;
- (v) the maximum total repayment cost of the Bonds shall not exceed \$6,200,000 and the maximum annual repayment cost shall not exceed \$1,200,000.

Interest on the Bonds shall be calculated on the basis of a 360 day year of twelve 30 day months, payable on the dates set forth in the Sale Certificate and commencing on the date provided in the Sale Certificate.

Section 6. Payment of Bonds - Paying Agent and Bond Registrar.

(a) The principal of and prior redemption premium, if any, on any Bond shall be payable to the Owner thereof as shown on the registration records kept by the Registrar, upon maturity thereof and upon presentation and surrender at the Principal Operations Office of the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the same interest rate borne by said Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to the Owner thereof at the address shown on the registration records kept by the Registrar at the close of business on

the Record Date; but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner of the applicable Bond at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date and the date fixed for payment of the defaulted interest shall be fixed by the Registrar whenever monies become available for payment of the defaulted interest. Notice of the Special Record Date and the date fixed for payment of the defaulted interest shall be given to the Owners of the Bonds not less than ten days prior to the Special Record Date by first-class mail to each such Owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Paying Agent; provided, however, that the City shall not be required to make funds available to the Paying Agent prior to the payment dates stated in this Section. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar.

(b) The Registrar or Paying Agent may resign on thirty days prior written notice to the City and the Bond Insurer, provided that no such resignation shall be effective until a successor Registrar and Paying Agent, acceptable to the Bond Insurer, is appointed. The City, with consent of the Bond Insurer, or the Bond Insurer, at any time may reasonably determine that the Registrar or Paying Agent is incapable of fulfilling its duties hereunder and may remove it, upon thirty days prior written notice. If the Registrar or Paying Agent initially appointed hereunder shall resign, or shall be removed, the City may, upon notice mailed to the Bond Insurer and to each Owner at his or her address last shown on the registration records, appoint a successor, acceptable to the Bond Insurer, to such Registrar or Paying Agent. Every such successor Registrar or Paying Agent shall be a bank or trust company located in and in good standing in the United States and having shareholders' equity (e.g., capital stock, surplus and profits), however denominated, not less than \$10,000,000. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

Section 7. Prior Redemption.

(a) Optional Prior Redemption. The Bonds designated in the Sale Certificate, if any, will be subject to redemption at the option of the City from any legally available funds on the dates set forth in the Sale Certificate in whole, or in part from any maturities, in any order of maturity and by lot within a maturity from Bonds of the same maturity and interest rate, in such manner as the City may determine (giving proportionate weight to Bonds in denominations larger than \$5,000), at the price set forth in the Sale Certificate, subject to the parameters and restrictions of this Ordinance.

The Registrar shall not be required to give notice of any such optional redemption unless it has received written instructions from the City in regard thereto at least sixty days prior to such redemption date.

(b) Mandatory Redemption. The Term Bonds, if any, are subject to mandatory sinking fund redemption, at the times, in the amounts and at the prices provided in the Sale Certificate.

On or before thirty (30) days prior to each sinking fund installment date, the Registrar shall, without any notice or instruction from the City, proceed to call the Term Bonds (or any Term Bond or Term Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next mandatory sinking fund redemption date, and give notice of such call without other instruction or notice from the City.

At its option, to be exercised on or before the sixtieth (60th) day next preceding each such sinking fund redemption date, the City may (a) deliver to the Registrar for cancellation Term Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Term Bonds of the same maturity subject to mandatory sinking fund redemption on such date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond so delivered or previously redeemed will be credited by the Registrar at the principal amount thereof on the obligation of the City on such sinking fund redemption date and the principal amount of Term Bonds to be redeemed by operation of such sinking fund on such date will be accordingly reduced. The City will on or before the sixtieth day next preceding each sinking fund redemption date furnish the Registrar with its certificate indicating whether or not and to what extent the provisions of (a) and (b) of the preceding sentence are to be availed with respect to such sinking fund payment. Failure of the City to deliver such certificate shall not affect the Registrar's duty to give notice of sinking fund redemption as provided in this paragraph.

(c) Notice. Notice of redemption shall be given by the Registrar in the name of the City by sending a copy of such official notice by first-class, postage prepaid mail, not more than sixty nor less than thirty days prior to the redemption date to the Bond Insurer and each Registered Owner at his address as it last appears on the registration books kept by the Registrar, provided that so long as the Bonds are held by DTC or any other Depository, such notice may be given by electronic means in lieu of mailed notice; but neither failure to give such notice nor any defect therein shall affect the redemption of any Bond. Such notice shall identify the Bonds to be so redeemed (if less than all are to be redeemed) and the redemption date, and shall further state that on such redemption date there will become and be due and payable upon each Bond so to be redeemed, at the Paying Agent, the principal amount thereof, any redemption premium, and accrued interest to the redemption date and that from and after such date interest will cease to accrue. Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which

have been redeemed shall be promptly canceled by the Paying Agent and such canceled Bonds shall be delivered by the Paying Agent or Registrar to the City if requested by the City, and shall not be reissued.

(d) Partial Redemption. In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, in which case the Registrar shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof of the same maturity in the amount of the unpaid principal.

(e) Conditional Call Provision. Notwithstanding the provisions of this Section, any notice of optional redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Section 8. Form and Execution of Bonds. The Bonds shall be signed with the facsimile or manual signature of the Mayor or Mayor-Pro Tem of the City, sealed with a facsimile or manual impression of the seal of the City, and attested by the facsimile or manual signature of the City Clerk. Should any officer whose facsimile or manual signature appears on the Bonds cease to be such officer before delivery of the Bonds to the Purchaser, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes.

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

The Bonds shall be in substantially the following form (provided that any of the text of the Bonds may, with appropriate reference, be printed on the back of the Bonds):

[Form of Bond]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered Owner hereof, Cede & Co., has an interest herein.

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTY OF DOUGLAS

CITY OF LONE TREE

SALES AND USE TAX REVENUE REFUNDING BOND
(RECREATION PROJECTS), SERIES 2017A

INTEREST RATE MATURITY DATE DATED AS OF CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The City of Lone Tree, in the County of Douglas and State of Colorado, a municipal corporation duly organized and operating under the home rule Charter of the City and the constitution and laws of the State of Colorado, for value received, hereby promises to pay from the special funds and accounts hereafter designated, but not otherwise, to the Registered Owner named above, or registered assigns, on the maturity date specified above, the principal amount specified above, and in like manner to pay interest on such principal amount at the interest rate per annum specified above, payable semiannually on _____ and _____ each year, commencing on _____, 20__, until such principal amount is paid. This Bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this Bond. This Bond is one of an authorized series of bonds (the “Bonds”) issued pursuant to an ordinance of the City Council adopted on December 6, 2016 (the “Bond Ordinance”). The Bonds are all issued under and equally and ratably secured by and entitled to the security of the Bond Ordinance. This Bond bears interest, matures, is payable and is transferable as provided in the Bond Ordinance. To the extent not defined herein, terms used in this Bond shall have the same meanings as set forth in the Bond Ordinance.

The principal of and prior redemption premium, if any, on this Bond is payable upon presentation and surrender hereof at the Principal Operations Office of the Paying Agent. Interest on this Bond will be paid on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), by check or draft mailed to the person in whose name this Bond is registered in the registration records of the City maintained by the Registrar at its Principal Operations Office and at the address appearing thereon at the close of business on the Record Date.

The Bonds are all of like date, tenor, and effect except as to number, principal amount, interest rate, and date of maturity and are issued by the City Council of the City for the purpose of refinancing park and recreation facilities under the authority of and in full conformity with the City's home rule Charter, the constitution and laws of the State of Colorado, and pursuant to the duly adopted Bond Ordinance.

The principal of, redemption premium, if any, and interest on this Bond are payable only from the proceeds of the Pledged Revenues, all as more particularly set forth in the Bond Ordinance. This Bond constitutes a special limited obligation of the City, secured only by a lien, but not necessarily an exclusive lien, on the Pledged Revenues. This Bond does not constitute a debt of the City within the meaning of any constitutional, home rule charter, or statutory limitation, and shall not be considered or held to be a general obligation of the City. Neither the members of the City Council nor any persons executing this Bond shall be personally liable for this Bond.

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

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

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

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the certificate of authentication hereon shall have been manually signed by the Bond Registrar.

IN TESTIMONY WHEREOF, the City Council of the City of Lone Tree, Colorado, has caused this Bond to be signed by the manual or facsimile signature of the Mayor of the City, sealed with a manual or facsimile impression of the seal of the City, and attested by the manual or facsimile signature of the City Clerk, all as of _____, 2017.

CITY OF LONE TREE, COLORADO

(SEAL OR FACSIMILE)

(Manual or Facsimile Signature)

Mayor

ATTESTED:

(Manual or Facsimile Signature)

City Clerk

[Form of Bond Registrar's Certificate of Authentication]

CERTIFICATE OF AUTHENTICATION

Date of Registration
and Authentication:

This Bond is one of the Bonds of the issue described in the within-mentioned Bond Ordinance, and this Bond has been duly registered in the registration records kept by the undersigned as Bond Registrar.

UMB BANK, N.A., as Registrar

By _____
Authorized Officer

(Form of Prepayment Panel)

PREPAYMENT PANEL

The following installments of principal (or portion thereof) of this Bond have been prepaid in accordance with the terms of the Ordinance authorizing the issuance of this Bond.

<u>Date of Prepayment</u>	<u>Principal Prepaid</u>	<u>Signature of Authorized Representative of the Depository</u>

(End of Form of Prepayment Panel)

[Form of Assignment]

ASSIGNMENT

FEES AND TAXES MAY BE CHARGED FOR
TRANSFER OR EXCHANGE OF THIS BOND

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney, to transfer said Bond on the records kept for registration thereof with full power of substitution in the premises.

Signature of Owner:

NOTICE: The signature to this assignment must correspond with the name of the Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Dated: _____

Signature guaranteed:

(Bank, Trust Company, or Firm)
Signature must be guaranteed by a member of the Medallion Signature Program

Address or transferee:

Social Security or other tax identification number of transferee:

[End of Form of Assignment]

[Form of Statement of Insurance]

[To be added if a Bond Insurance Policy is acquired by the City]

[End Form of Statement of Insurance]

Section 9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until a certificate of authentication on such Bond substantially in the form hereinabove set forth shall have been duly manually executed by the Bond Registrar, and such executed certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Bond Registrar, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds initially delivered pursuant to this Ordinance, the Bond Registrar and Paying Agent shall be deemed to have assented to the provisions of, and to have agreed to abide by and to perform the duties provided for them in, this Ordinance.

Section 10. Delivery of Bonds. After the adoption of this Ordinance, the City shall execute the Bonds and deliver them to the Bond Registrar, and the Bond Registrar shall authenticate the Bonds and deliver them to the Purchaser, as directed by the City.

Section 11. Registration, Transfer and Exchange.

(a) Records for the registration and transfer of the Bonds shall be kept by the Bond Registrar, which is hereby appointed by the City as registrar (i.e., transfer agent) for the Bonds. Upon the surrender for transfer of any Bond at the Principal Operations Office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his or her attorney duly authorized in writing, the Bond Registrar shall enter such transfer on the registration records and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. Bonds may be exchanged at the Principal Operations Office of the Bond Registrar for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations. The Bond Registrar shall authenticate and deliver a Bond or Bonds which the Owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Bond Registrar may impose reasonable charges in connection with such exchanges and transfers of Bonds, which charges (as well as any tax or other governmental charge required to be paid with respect to such exchange or transfer) shall be paid by the Owner requesting such exchange or transfer.

(b) Except as may otherwise be provided with respect to payment of interest pursuant to Section 6 hereof, the person in whose name any Bond shall be registered on the registration records kept by the Bond Registrar shall be deemed and regarded as the absolute Owner thereof for the purpose of making payment thereof and for all other purposes and payment of or on account of principal of, prior redemption premium, if any, and interest on any Bond shall be made only to or upon the written order of the Owner thereof or his or her legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

Section 12. Book Entry.

(a) Notwithstanding any contrary provision of this Ordinance, the Bonds shall initially be evidenced by one Bond for each maturity date and interest rate at which the Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing for that maturity date and interest rate. Such initially delivered Bonds shall be registered in the name of “Cede & Co.” as nominee for The Depository Trust Company, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

(i) to any successor of The Depository Trust Company or its nominee, which successor must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), Colorado Revised Statutes and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended; or

(ii) upon the resignation of The Depository Trust Company or a successor or new depository under clause (i) or this clause (ii) of this paragraph (a), or a determination by the Council that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the designation by the Council of another depository institution acceptable to the Council and to the depository then holding the Bonds, which new depository institution must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), Colorado Revised Statutes and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor new depository; or

(iii) upon the resignation of The Depository Trust Company or a successor or new depository under clause (i) or clause (ii) of this paragraph (a), or a determination of the Council that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the failure by the Council, after reasonable investigation, to locate another qualified depository institution under clause (ii) to carry out such depository functions.

(b) In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (i) of paragraph (a) hereof or designation of a new depository pursuant to clause (ii) of paragraph (a) hereof, upon receipt of the Outstanding Bonds by the Bond Registrar, together with written instructions for transfer satisfactory to the Bond Registrar, a new Bond for each maturity date and interest rate of the Bonds then Outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (iii) of paragraph (a) hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (iii) of paragraph (a) hereof, and upon receipt of the Outstanding Bonds by the Bond Registrar, together with written instructions for transfer satisfactory to the Bond Registrar, new Bonds shall be issued in the denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the limitations of Section 10

hereof, registered in the names of such persons, and in such authorized denominations as are requested in such written transfer instructions; however, the Bond Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

(c) The Council, the Bond Registrar and the Paying Agent shall be entitled to treat the Owner of any Bond as the absolute Owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the Council, the Bond Registrar and the Paying Agent shall have no responsibility for transmitting payments to the beneficial owners of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to paragraph (a) hereof.

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

Section 13. Cancellation and Destruction of Bonds. Whenever any Outstanding Bond shall be delivered to the Bond Registrar for payment pursuant to this Ordinance and upon payment of the principal amount and interest represented thereby, such Bond shall be canceled in accordance with the customary practices of the Bond Registrar and applicable retention laws. Whenever any Outstanding Bond shall be delivered to the Bond Registrar for transfer pursuant to the provisions hereof, such Bond shall be canceled in accordance with the customary practices of the Bond Registrar and applicable retention laws.

Section 14. Lost Bonds. If any Bond shall be lost, stolen, destroyed or mutilated, the Bond Registrar may, upon receipt of such evidence, information and indemnity relating thereto as it or the City may reasonably require, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Bond Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement. The Bond Registrar and the City may require that the Owner of any such Bond pay their reasonable fees, charges and expenses relating to their activities pursuant to this Section.

Section 15. Disposition of Bond Proceeds and Additional Deposits. The Bonds, when executed and registered as provided by law, shall be delivered to the Purchaser as directed by the City, and proceeds derived therefrom shall be used exclusively for the purposes of paying the costs of the Refunding Project, including the costs of issuing the Bonds. After the payment of such costs of the Refunding Project, any unexpended balance of Bond proceeds may be deposited into the Bond Account for the payment of the principal of, prior redemption premium, if any, and interest on the Bonds as the same become due or applied to other lawful uses, subject to the provisions of Section 16 hereof. Neither the Purchaser nor any subsequent Owners of the Bonds shall be responsible for the application or disposal by the City or any of its officers of the funds derived from the sale thereof.

Section 16. Tax Covenant and Rebate Account.

(a) The City covenants that it will not take any action or omit to take any action with respect to the Bonds, the proceeds of the Bonds, any other funds of the City or the facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause the interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenants under the Tax Code and State law have been met.

(b) All of the amounts on deposit in any fund or account created under this Ordinance, and all amounts pledged to the payment of the Bonds, shall be invested in compliance with the requirements of Subsection (a) of this Section 16. Amounts on deposit in the Rebate Account shall not be subject to the lien and pledge of this Ordinance, to the extent that such amounts are required to be paid to the United States Treasury. The City shall deposit Pledged Revenues into the Rebate Account as provided in Section 17(e) hereof. Upon receipt of an opinion of nationally recognized bond counsel that the balance in the Rebate Account is in excess of the amount required by Subsection (a) of this Section 16 to be included therein, such excess shall be withdrawn from the Rebate Account and applied as set forth in Section 16 hereof.

Section 17. Payment of Principal and Interest. The Pledged Revenues shall be used in the following manner and order, provided that all payments of principal and interest on the Bonds and any Parity Lien Recreation Bonds required to be made pursuant to this Section 17 shall first be paid from the Recreation Sales and Use Tax Revenues. Anything in this Ordinance to the contrary notwithstanding, the Recreation Sales and Use Tax Revenues shall not be used to pay the 2009 Bonds, the 2017B Bonds, or any other Parity Lien Bonds that are not Parity Lien Recreation Bonds. So long as any Bonds shall be Outstanding, either as to principal or interest, the Pledged Revenues shall, upon receipt by the City, be applied as follows:

(a) Bond Account. First, there shall be credited from the Pledged Revenues to a special account hereby created, known as the “City of Lone Tree, Colorado, Sales and Use Tax Revenue Refunding Bonds (Recreation Projects), Series 2017A Bond Account,” from the Recreation Sales and Use Tax Revenues, and, if such revenues are insufficient, from General Sales and Use Tax Revenues, the following amounts:

(i) Interest Payments. Monthly, commencing on the first day of the first month following the date of delivery of any of the Bonds, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding.

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

If prior to any interest payment date or principal payment date there has been accumulated in the Bond Account the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in paragraph (i) or (ii) (whichever is applicable) of this Section 17(a), may be appropriately reduced; but the required monthly amounts again shall be so credited to such account commencing on such interest payment date or principal payment date. The moneys in the Bond Account shall be used only to pay the principal of, prior redemption premium if any, and interest on the Bonds as the same becomes due.

Payments from the Recreation Sales and Use Tax Revenues with respect to the 2008A Bonds and any Parity Lien Recreation Bonds hereafter issued may be made to the similar bond account for such 2008A Bonds and any Parity Lien Recreation Bonds on a parity with the payments to the Bond Account set forth in paragraph (i) or (ii) of this Section 17(a) concurrently (but not necessarily simultaneously) with the payment for the Bonds.

Payments from the General Sales and Use Tax Revenues may be made to the similar bond account for the 2008B Bonds, the 2009 Bonds, the 2017B Bonds, and any Parity Lien Bonds on a parity with the payments to the Bond Account set forth in paragraph (i) or (ii) of this Section 17(a) concurrently (but not necessarily simultaneously) with the payment for the Bonds.

(b) Reserve Account. Second, except as hereinafter provided, from any remaining Pledged Revenues there shall be credited monthly to a special account hereby created and known as the “City of Lone Tree, Colorado, Sales and Use Tax Revenue Refunding Bonds (Recreation Projects), Series 2017A Reserve Account” an amount, if any, which is necessary to maintain the Reserve Account as a continuing reserve in an amount not less than the Reserve Account Requirement or to pay the issuer of any Bond Reserve Insurance Policy any amounts owing to such issuer under the terms of the Bond Reserve Insurance Policy. At the time of issuance of the Bonds, no funds shall be required to be on deposit in the Reserve Account. No later than the last day of February in each year, the City Manager shall calculate the coverage of the Pledged Revenues received during the preceding Fiscal Year over the Maximum Annual Combined Debt Service Requirement. Such calculations shall be filed with the City Clerk promptly upon completion. In the event that, according to such calculation, the Pledged Revenues received in any Fiscal Year are less than three times the Maximum Annual Combined Debt Service Requirement, the City shall, immediately upon the filing thereof, commence funding the Reserve Account monthly so that no later than twenty-four (24) months after the date of such filing, the amount accumulated in the Reserve Account is equal to the Reserve Account Requirement. The City may cease funding the Reserve Account and will be entitled to withdraw any moneys deposited therein if the calculation performed in any future Fiscal Year shows three or more times coverage was in fact attained. In determining the amounts required to be deposited as provided in

this Section 17(b), the City shall receive credit for any investment earnings on the deposit in the Reserve Account. No credit need be made to the Reserve Account so long as the moneys and/or a Bond Reserve Insurance Policy therein equal the Reserve Account Requirement (regardless of the source of such accumulations). The Reserve Account Requirement shall be accumulated and maintained as a continuing reserve to be used, except as provided in subsections (c) and (e) of this Section 17 and Section 20 hereof, only to prevent deficiencies in the payment of the principal of and the interest on the Bonds resulting from the failure to credit to the Bond Account sufficient funds to pay said principal and interest as the same accrue or to pay the issuer of any Bond Reserve Insurance Policy any amounts owing to such issuer under the terms of the Bond Reserve Insurance Policy. The Reserve Account Requirement shall be calculated upon (i) any principal payment, whether at stated maturity or upon redemption, (ii) the issuance of Additional Obligations, (iii) the defeasance of all or a portion of the Bonds, or (iv) whenever the City is required to fund the Reserve Account pursuant to this Section 17(b).

In lieu of all or a portion of the moneys required to be deposited in the Reserve Account by this Ordinance, the City may at any time or from time to time deposit a Bond Reserve Insurance Policy in the Reserve Account in full or partial satisfaction of the Reserve Account Requirement. Any such Bond Reserve Insurance Policy shall be payable (or available to be drawn upon) on any date on which moneys will be required to be withdrawn from the Reserve Account as provided herein. Upon deposit of any Bond Reserve Insurance Policy in the Reserve Account, the City may transfer moneys equal to the amount payable under the Bond Reserve Insurance Policy from the Reserve Account and apply such moneys to any lawful purpose, subject to the provisions of Section 16 hereof.

(c) Termination of Deposits to Maturity or Redemption Date. No payment of Pledged Revenues need be made into the Bond Account or the Reserve Account if the amount in the Bond Account and the Reserve Account totals a sum at least equal to the entire amount of the Outstanding Bonds both as to principal and interest to their respective maturities, or to any redemption date on which the City shall have exercised its option to redeem the Bonds then Outstanding and thereafter maturing, including any prior redemption premiums then due, and both accrued and not accrued, in which case moneys in said accounts in an amount at least equal to such principal and interest requirements shall be used solely to pay such as the same accrue, and any moneys in excess thereof in said accounts may be withdrawn and used for any lawful purpose, subject to Section 16 hereof.

(d) Defraying Delinquencies in Bond and Reserve Accounts. If, five days before any interest payment date or principal payment date for the Bonds, there are insufficient funds on deposit in the Bond Account to pay the principal of and redemption premium, if any, and interest on the Bonds due on such date, then, to the extent of any amounts then in the Reserve Account, a sufficient amount shall be paid into the Bond Account on such date from the Reserve Account exclusively to make such payments on the Bonds. The money, if any, so used shall be replaced in the Reserve Account from the first Recreation Sales and Use Tax Revenues received that are not required to be otherwise applied by this Section 17, but excluding any payments required for any Subordinate Lien Recreation Bonds, on a parity basis with any similar deposits required for any Parity Lien Recreation Bonds; provided, however, that an amount equal to the amount withdrawn from the Reserve Account shall be deposited by the City into the Reserve Account no later than twelve months from the date of such withdrawal. If the Recreation Sales

and Use Tax Revenues received are insufficient to make the deposits set forth in the preceding sentence, the City shall make such deposits into the Reserve Account as are required to remedy such insufficiency from the first General Sales and Use Tax Revenues received that are not required to be otherwise applied by this Section 17, but excluding any payments required for any Subordinate Lien Bonds, on a parity basis with any similar deposits required for the 2008A Bonds, the 2009 Bonds, the 2017B Bonds, and any Parity Lien Bonds.

The moneys in the Bond Account and the Reserve Account shall be used solely for the purpose of paying the principal of, any redemption premium, and the interest on the Bonds and to pay the issuer of any Bond Reserve Insurance Policy any amounts owing to such issuer under the terms of the Bond Reserve Insurance Policy; provided, however, that any moneys at any time in excess of the Reserve Account Requirement in the Reserve Account may be withdrawn therefrom and used for any lawful purpose, subject to the provisions of Section 16 hereof; and provided, further, that any moneys in the Bond Account and in the Reserve Account in excess of accrued and unaccrued principal and interest requirements to the respective maturities of the Outstanding Bonds may be used as provided in Subsection (c) of this Section 17.

(e) Rebate Account Payments. After making the payments set forth in Subsections (a), (b) and (d) of this Section 17, the City shall deposit any remaining Recreation Sales and Use Tax Revenues to the account created hereunder and designated the “City of Lone Tree, Colorado, Sales and Use Tax Revenue Refunding Bonds (Recreation Projects), Series 2017A, Rebate Account” (the “Rebate Account”) to the extent required under Section 148 of the Tax Code and the regulations promulgated thereunder and shall apply such funds to the extent necessary to comply with the City’s covenants under Section 16 hereof to make payments to the United States. Payments of Recreation Sales and Use Tax Revenues into similar rebate accounts for any Parity Lien Recreation Bonds shall be made concurrently (but not necessarily simultaneously) with payments of Recreation Sales and Use Tax Revenues into the Rebate Account. To the extent that the remaining Recreation Sales and Use Tax Revenues are insufficient to comply with the preceding sentence, General Sales and Use Tax Revenues shall be deposited, after making the payments required by Subsections (a), (b) and (d) of this Section 17, into the Rebate Account in the amount of such insufficiency. Payments of General Sales and Use Tax Revenues into similar rebate accounts for the 2008A Bonds, the 2009 Bonds, the 2017B Bonds, and any Parity Lien Bonds shall be made concurrently (but not necessarily simultaneously) with payments of General Sales and Use Tax Revenues into the Rebate Account.

(f) Subordinate Lien Recreation Bonds and Subordinate Lien Bonds. After making the payments required by Subsections (a), (b), (d) and (e) of this Section 17, any remaining Recreation Sales and Use Tax Revenues shall be used for the payment of the principal of, premium, if any, and interest on any Subordinate Lien Recreation Bonds, and for any reserve fund which may be established as additional security for the payment of such Subordinate Lien Recreation Bonds. Nothing in this Ordinance shall prevent the establishment of priorities or parity relationships among Subordinate Lien Recreation Bonds, whether now existing or hereafter issued (including, without limitation, any subordination of existing Subordinate Lien Recreation Bonds to other Subordinate Lien Recreation Bonds hereafter issued).

After making the payments required by Subsections (a), (b), (d) and (e) of this Section 17, any remaining General Sales and Use Tax Revenues shall be used for the payment

of the principal of, premium, if any, and interest on any Subordinate Lien Bonds, and for any reserve fund which may be established as additional security for the payment of such Subordinate Lien Bonds. Nothing in this Ordinance shall prevent the establishment of priorities or parity relationships among Subordinate Lien Bonds, whether now existing or hereafter issued (including, without limitation, any subordination of existing Subordinate Lien Bonds to other Subordinate Lien Bonds hereafter issued).

(g) Any Lawful Purpose. After compliance with Subsections (a) through (f), inclusive, of this Section 17, the remaining Pledged Revenues may be used for any lawful purpose, as the Council may direct, subject to the provisions of Section 16 hereof.

(h) General Administration of Funds and Accounts. The Bond Account, the Reserve Account and the Rebate Account shall be held in the custody of the City. Each periodic payment shall be credited to the proper fund or account not later than the date designated therefor, except that when any such date shall be a day which is not a Business Day, then such payment shall be made on or before the next succeeding Business Day. Monies in the Bond Account, the Reserve Account and the Rebate Account not immediately needed may be deposited or invested and reinvested by the City in deposits or investments which are at the time Permitted Investments, subject to Section 16 hereof. Securities or obligations purchased as an investment of monies in any such fund or account shall be deemed at all times to be a part of such fund or account, except to the extent otherwise provided herein. Interest and any profit realized from investments in the Bond Account shall be retained therein. Interest and any profit realized from investments in the Reserve Account shall be retained therein, unless the balance therein is equal to or greater than the Reserve Account Requirement, in which case such interest and profit may be withdrawn and used for any lawful purpose, subject to Section 16 hereof. Any loss resulting from investments in the Bond Account, or the Reserve Account shall be charged to each such fund or account, respectively. Interest and profit realized and any loss resulting from investments in the Rebate Account shall be credited or charged to such account. The monies in any fund or account herein provided for shall consist of lawful money of the United States or Permitted Investments or both such money and such Permitted Investments. Monies deposited in a demand or time deposit account in or evidenced by a certificate of deposit of a commercial bank, appropriately secured according to the laws of the State of Colorado, shall be deemed lawful money of the United States. Neither the City nor any officer or employee of the City shall be liable or responsible for any loss resulting from any investment or reinvestment made in accordance with this Ordinance.

Investments in the Reserve Account shall be valued annually, at the market value thereof, exclusive of accrued interest. Deficiencies in the amount on deposit in Reserve Account resulting from a decline in market value shall be restored no later than the succeeding valuation date. Investments purchased with funds on deposit in the Reserve Account shall have a term to maturity not greater than five years.

Section 18. Covenants of the City. The City hereby irrevocably covenants and agrees with each and every Owner of the Bonds that so long as any of the Bonds remain Outstanding:

(a) It will not amend or repeal any provision of the Code in any way that would materially adversely affect the amount of Pledged Revenues which would otherwise be collected. However, nothing herein shall prevent the City from amending the Code to permit sales or use tax credits to retailers or vendors in association with the collection by such retailers or vendors of a public improvement fee or similar fee or charge imposed by a covenant on the land on which the retailer or vendor conducts business in an amount equal to or greater than the amount of such sales or use tax credits to fund public improvements benefiting new retail development, the construction of which shall commence after the date hereof.

(b) It will administer, enforce, and collect, or cause to be administered, enforced, and collected, the sales and use tax authorized by the Code, and shall take such necessary action to collect delinquent payments as shall be authorized by the Code and in accordance with law.

(c) It will keep books and records showing the Pledged Revenues received, in which complete entries shall be made in accordance with standard principles of accounting, and any Owner of any of the Bonds shall have the right at all reasonable times to inspect the records and accounts relating to the collection and receipt of such Pledged Revenues.

(d) It will, at least once a year, cause an audit to be performed of the records relating to the collection and receipt of the Pledged Revenues (which may be performed as a part of the City's general annual audit), and upon request, make available at cost the report of the auditor or accountant to any Owner of any of the Bonds, and shall mail a copy of such audit report to the Bond Insurer and the Purchaser. Such audit may be made part of and included within the general audit of the City, and made at the same time as the general audit.

(e) It will comply with the terms of the Continuing Disclosure Certificate.

(f) It will not amend the Sales Tax Sharing Agreements to increase the amount which the City is obligated to pay under the Sales Tax Sharing Agreements.

Section 19. Additional Obligations.

(a) Additional Obligations Payable solely from General Sales and Use Tax Revenues:

(i) No bonds, notes, certificates, contracts, or other similar obligations shall be issued payable from the General Sales and Use Tax Revenues and having a lien thereon which is prior or superior to the lien of the Bonds.

(ii) Nothing in this Ordinance shall be construed in such manner as to prevent the issuance of Parity Lien Bonds by the City; provided that: (1) the City is current in the payment of principal and interest on the Bonds, the 2008A Bonds, the 2009 Bonds, the

2017B Bonds, and any Parity Lien Bonds and in the accumulation of any required amounts in the Reserve Account and the similar reserve accounts for the Bonds, the 2008A Bonds, the 2009 Bonds, the 2017B Bonds and any Parity Lien Bonds; (2) no Event of Default has occurred and is continuing; and (3) the General Sales and Use Tax Revenues collected or received by the City in the last preceding Fiscal Year are sufficient to cover two times the Maximum Annual Debt Service Requirement. In determining the Maximum Annual Debt Service Requirement as described above, there shall be included the maximum amount of all required payments of principal and interest on the proposed Parity Lien Bonds which will become due in any Fiscal Year, and mandatory sinking fund redemption installments shall be treated as serial principal maturities. In the event that the municipal sales and use tax has been increased during the preceding or current Fiscal Year and if such increase is pledged to pay the proposed Parity Lien Bonds, then the General Sales and Use Tax Revenues for the last preceding Fiscal Year may be adjusted by applying the new percentage to the amount of sales and use taxes actually collected during such prior Fiscal Year, for the purpose of determining compliance with clause (3) of this Subsection.

(iii) If at any time after the Bonds, or any part thereof, shall have been issued and remain Outstanding, the City shall find it desirable to refund any Outstanding obligations payable from the General Sales and Use Tax Revenues, said obligations, or any part thereof, may be refunded, subject to the following provisions. Any refunding obligations payable in whole or in part from the General Sales and Use Tax Revenues shall be issued with such details as the Council may provide, so long as there is no impairment of any contractual obligations imposed upon the City; but if only a part of the Outstanding obligations payable from the General Sales and Use Tax Revenues is refunded, then such securities may not be refunded without the consent of the Owner or Owners of the unrefunded portion of such obligations unless:

(1) the refunding obligations do not increase, for any Fiscal Year in which any Bonds will be Outstanding, the aggregate principal and interest requirements evidenced by such refunding obligations and by the Outstanding obligations payable from the General Sales and Use Tax Revenues and not refunded, and the lien of the refunding obligations on the General Sales and Use Tax Revenues is not raised to a higher priority than the lien thereon of the obligations thereby refunded; or

(2) the lien on the General Sales and Use Tax Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any Bonds not refunded; or

(3) the refunding obligations are issued in compliance with paragraph (iii) of this Section 19(a).

(iv) Nothing herein shall prevent the City from issuing Subordinate Lien Bonds.

(b) Additional Obligations Payable solely from Recreation Sales and Use Tax Revenues but not General Sales and Use Tax Revenues:

(i) No bonds, notes, certificates, contracts, or other similar obligations shall be issued payable in whole or in part from Recreation Sales and Use Tax

Revenues but not General Sales and Use Tax Revenues and having a lien thereon which is prior or superior to the lien of the Bonds.

(ii) Nothing in this Ordinance shall be construed in such manner as to prevent the issuance of Parity Lien Recreation Bonds by the City payable in whole or in part from Recreation Sales and Use Tax Revenues but not General Sales and Use Tax Revenues; provided that: (1) the City is current in the payment of principal and interest on the Bonds, the 2008A Bonds, and any Parity Lien Recreation Bonds and in the accumulation of any required amounts in the Reserve Account and the similar reserve accounts for the Bonds, the 2008A Bonds, or any Parity Lien Recreation Bonds; (2) no Event of Default has occurred and is continuing; and (3) the Recreation Sales and Use Tax Revenues collected or received by the City in the last preceding Fiscal Year are sufficient to cover two times the Maximum Annual Recreation Debt Service Requirement. In determining the Maximum Annual Recreation Debt Service Requirement as described above, there shall be included the maximum amount of all required payments of principal and interest on the proposed Parity Lien Recreation Bonds which will become due in any Fiscal Year, and mandatory sinking fund redemption installments shall be treated as serial principal maturities. In the event that the City's park and recreation sales and use tax has been increased during the preceding or current Fiscal Year and if such increase is pledged to pay the proposed Parity Lien Recreation Bonds, then the Recreation Sales and Use Tax Revenues for the last preceding Fiscal Year may be adjusted by applying the new percentage to the amount of park and recreation sales and use taxes actually collected during such prior Fiscal Year, for the purpose of determining compliance with clause (3) of this Subsection.

(iii) If at any time after the Bonds, or any part thereof, shall have been issued and remain Outstanding, the City shall find it desirable to refund any Outstanding obligations payable in whole or in part from Recreation Sales and Use Tax Revenues but not General Sales and Use Tax Revenues, said obligations, or any part thereof, may be refunded, subject to the following provisions. Any refunding obligations payable in whole or in part from Recreation Sales and Use Tax Revenues but not General Sales and Use Tax Revenues shall be issued with such details as the Council may provide, so long as there is no impairment of any contractual obligations imposed upon the City; but if only a part of the Outstanding obligations payable in whole or in part from Recreation Sales and Use Tax Revenues but not General Sales and Use Tax Revenues is refunded, then such securities may not be refunded without the consent of the Owner or Owners of the unrefunded portion of such obligations unless:

(1) the refunding obligations do not increase, for any Fiscal Year in which any Bonds will be Outstanding, the aggregate principal and interest requirements evidenced by such refunding obligations and by the Outstanding obligations payable in whole or in part from Recreation Sales and Use Tax Revenues but not General Sales and Use Tax Revenues and not refunded, and the lien of the refunding obligations on the Recreation Sales and Use Tax Revenues is not raised to a higher priority than the lien thereon of the obligations thereby refunded; or

(2) the lien on the Recreation Sales and Use Tax Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any Bonds not refunded; or

(3) the refunding obligations are issued in compliance with paragraph (ii) of this Section 19(b).

(iv) Nothing herein shall prevent the City from issuing Subordinate Lien Recreation Bonds.

(c) Additional Obligations Payable from Pledged Revenues:

(i) No bonds, notes, certificates, contracts, or other similar obligations shall be issued payable from the Pledged Revenues and having a lien thereon which is prior or superior to the lien of the Bonds.

(ii) Nothing in this Ordinance shall be construed in such manner as to prevent the issuance by the City of obligation that constitute both Parity Lien Recreation Bonds and Parity Lien Bonds and are payable from Pledged Revenues; provided that: (1) the City is current in the payment of principal and interest on the Bonds, the 2008A Bonds, the 2009 Bonds, the 2017B Bonds, any Parity Lien Bonds, and any Parity Lien Recreation Bonds, and in the accumulation of any required amounts in the Reserve Account and the similar reserve accounts for the 2008A Bonds, the 2009 Bonds, the 2017B Bonds, any Parity Lien Bonds, and any Parity Lien Recreation Bonds; (2) no Event of Default has occurred and is continuing; and (3) the Pledged Revenues collected or received by the City in the last preceding Fiscal Year are sufficient to cover two times the Maximum Annual Combined Debt Service Requirement. As used in the preceding sentence, "Pledged Revenues" shall include any adjustments to the General Sales and Use Tax Revenues authorized by Section 19(a)(iii) and any adjustments to the Recreation Sales and Use Tax Revenues authorized by Section 19(b)(ii). In determining the Maximum Annual Combined Debt Service Requirement as described above, there shall be included therein the maximum amount of all required payments of principal and interest on the proposed obligations which will become due in any Fiscal Year, and mandatory sinking fund redemption installments shall be treated as serial principal maturities.

(iii) If at any time after the Bonds, or any part thereof, shall have been issued and remain Outstanding, the City shall find it desirable to refund any Outstanding obligations payable from the Pledged Revenues, said obligations, or any part thereof, may be refunded, subject to the following provisions. Any refunding obligations payable in whole or in part from the Pledged Revenues shall be issued with such details as the Council may provide, so long as there is no impairment of any contractual obligations imposed upon the City; but if only a part of the Outstanding obligations payable from the Pledged Revenues is refunded, then such securities may not be refunded without the consent of the Owner or Owners of the unrefunded portion of such obligations unless:

(1) the refunding obligations do not increase, for any Fiscal Year in which any Bonds will be Outstanding, the aggregate principal and interest requirements evidenced by such refunding obligations and by the Outstanding obligations payable from the Pledged Revenues and not refunded, and the lien of the refunding obligations on the Pledged Revenues is not raised to a higher priority than the lien thereon of the obligations thereby refunded; or

(2) the lien on the Pledged Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any Bonds not refunded; or

(3) the refunding obligations are issued in compliance with paragraph (ii) of this Section 19(c).

(iv) Nothing herein shall prevent the City from issuing Subordinate Lien Bonds or Subordinate Lien Recreation Bonds.

(d) For purposes of this Section 19, variable rate Additional Obligations issued pursuant hereto shall be assumed to bear interest at the highest of: (i) the actual rate on the date of calculation, or if the indebtedness is not yet Outstanding, the initial rate (if established and binding); (ii) if the indebtedness has been Outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation; and (iii) (1) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Tax Code, the most recently published Bond Buyer 25 Bond Revenue Index (or comparable index if no longer published) plus fifty (50) basis points, or (2) if interest is not so excludable, the interest rate on direct U.S. Treasury obligations with comparable maturities plus fifty (50) basis points. Notwithstanding the foregoing, for purposes of any rate covenant measuring actual debt service coverage during a test period, variable rate indebtedness shall be deemed to bear interest at the actual rate per annum applicable during the test period.

Section 20. Defeasance. When all principal of, prior redemption premium, if any, and interest on the Bonds have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the Bonds shall no longer be deemed to be Outstanding within the meaning of this Ordinance. Such due payment of any Bond shall be deemed made when the City has placed in escrow and in trust with a commercial bank located within or without the State of Colorado, and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal, prior redemption premium, if any, and interest on such Bond as the same become due to their final maturity or designated prior redemption date, and if any Bond is to be redeemed prior to maturity pursuant to Section 7(a) hereof, when the City has given to the Registrar irrevocable written instructions to give notice of prior redemption in accordance with Section 7(c) hereof. The Federal Securities shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and such bank at the time of the creation of the escrow and shall not be callable prior to their scheduled maturities by the issuer thereof. The investment of the amounts deposited in the escrow shall comply with Section 16 hereof.

In the event that there is a defeasance of only part of the Bonds of any maturity, the Bond Registrar shall, if requested by the City, institute a system to preserve the identity of the individual Bonds or portions thereof so defeased, regardless of changes in Bond numbers attributable to transfers and exchanges of Bonds; and the Bond Registrar shall be entitled to reasonable compensation and reimbursement of expenses from the City in connection with such system.

Section 21. Amendment.

(a) The City may, without the consent of, or notice to the Owners of the Bonds, but with the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default of its payment obligations under the Bond Insurance Policy, adopt such ordinances supplemental hereto (which supplemental amendments shall thereafter form a part hereof) for any one or more or all of the following purposes:

(i) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in this Ordinance, or to make any provisions with respect to matters arising under this Ordinance or for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Bonds;

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

(iii) to grant or confer upon the Paying Agent or Registrar for the benefit of the Owners of the Bonds any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners of the Bonds; or

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

(b) Exclusive of the amendatory ordinances permitted by paragraph (a) of this Section, this Ordinance may be amended or supplemented by ordinance adopted by the Council in accordance with the law, without receipt by the City of any additional consideration but with the prior written consent of the Owners of at least 66% in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory or supplemental ordinance.

(c) Notwithstanding Subsections (a) and (b) above, written consent of the Owners of all of the Bonds adversely affected thereby is required for any Ordinance that shall have the effect of permitting:

(i) An extension of the maturity of any of the Bonds authorized by this Ordinance; or

(ii) A reduction in the principal amount of any of the Bonds, the rate of interest thereon, or the prior redemption premium thereon; or

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

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

(v) The establishment of priorities as between outstanding Bonds, 2008B Bonds, and any Parity Lien Bonds with respect to the General Sales and Use Tax

Revenues, the establishment of priorities as between outstanding Bonds and any Parity Lien Recreation Bonds with respect to the Recreation Sales and Use Tax Revenues or the establishment of priorities as between Bonds issued and Outstanding under the provisions of this Ordinance; or

(vi) The modification of or otherwise affecting the rights of the Owners of less than all of the Bonds then outstanding.

Copies of any waiver, modification or amendment to this Ordinance shall be delivered to any entity then maintaining a rating on the Bonds at least 15 days prior to its execution or adoption.

Section 22. Events of Default. It is an Event of Default if:

(a) Payment of the principal of or premium due on any Bond is not made by the City when due at maturity or upon prior redemption;

(b) Payment of the interest on any Bond is not made by the City when due; or

(c) The City defaults in the punctual performance of its covenants hereunder for sixty (60) days after written notice shall have been given by the Owners of not less than 25% of the outstanding principal amount of the Bonds; provided that failure by the City to comply with the covenant set forth in Section 18(e) of this Ordinance shall not constitute an Event of Default hereunder.

(d) An event of default shall have occurred and be continuing under the provisions of the Insurance Agreement.

Section 23. Remedies. Upon the happening of any Event of Default, any Owner, or a trustee therefor, may protect and enforce the rights of such Owner by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, the appointment of a receiver (the consent to such appointment being hereby granted), injunctive relief, or requiring the Council to act as if it were the trust of an express trust, or any combination of such remedies. All proceedings shall be maintained for the benefit of the Owners; provided however, that any action brought pursuant to an Event of Default under Section 22(c) hereof may be brought only upon the written consent of the Owner or Owners of not less than 25% of the outstanding principal amount of the Bonds. All proceedings shall be maintained for the equal benefit and protection of all Owners. The failure of any Owner to proceed does not relieve the City or any person of any liability for failure to perform any duty hereunder. The foregoing rights are in addition to any other right which may exist under applicable law, and the exercise of any right by any Owner shall not be deemed a waiver of any other right. If any remedial action is discontinued, the Owners shall be restored to their positions prior to taking such action.

Section 24. Insurer To Be Deemed Owner, Rights of the Insurer, Payments by the Insurer.

(a) Notwithstanding any provision of this ordinance to the contrary, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance

Policy, the Bond Insurer shall at all times be deemed the sole and exclusive Owner of the Outstanding Bonds for the purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies pursuant to this ordinance, including but not limited to approval of or consent to any amendment of or supplement to this Ordinance which requires the consent or approval of the Owners of 66% in aggregate principal amount of the Bonds then Outstanding pursuant to this Ordinance; provided, however, that the Bond Insurer shall not be deemed to be the sole and exclusive Owner of the Outstanding Bonds with respect to any amendment or supplement to this Ordinance which seeks to amend or supplement this Ordinance for the purposes set forth in Section 21(c) hereof.

(b) Notwithstanding any other provision of this Ordinance, any rights granted to or conferred upon the Bond Insurer hereunder shall be in effect only so long as the Bond Insurer is not in default in its payment obligation under the Bond Insurance Policy, and upon any such default by the Bond Insurer, its rights hereunder shall be suspended (except to the extent of subrogation for any payments under the Bond Insurance Policy theretofore made by the Bond Insurer); provided, however, that such rights shall be reinstated when the Bond Insurer has cured such default under the Bond Insurance Policy.

(c) To the extent that the Bond Insurer makes payment of any principal of or interest on a Bond, it shall be fully subrogated to all of the Owner's rights thereunder in accordance with the terms of the Bond Insurance Policy to the extent of such payment, including the Owner's rights to payment thereof.

(d) In the event that the principal of or interest on a Bond shall be paid by the Bond Insurer pursuant to the terms of the Bond Insurance Policy (i) such Bond shall continue to be "Outstanding" under this Ordinance, and (ii) the Bond Insurer shall be fully subrogated to all of the rights of the Owner thereof in accordance with the terms and conditions of subsection (b) of this Section and the Bond Insurance Policy.

(e) This Ordinance shall not be discharged unless and until all amounts due to the Bond Insurer have been paid in full or duly provided for.

(f) So long as the Bond Insurance Policy shall be in full force and effect, the City and the Paying Agent hereby agree to comply with the provisions of this Section.

(g) The Bond Insurer is a third-party beneficiary of this Ordinance.

Section 25. Delegated Powers; Authorization to Execute Collateral Documents. The officers of the City and the members of the Council be, and hereby are, 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: the execution and delivery of the Purchase Contract, the Registrar Agreement, the Continuing Disclosure Certificate, the printing of the Bonds; the procuring of municipal bond insurance or financial guaranty insurance, if in the best interests of the City; entering into and executing appropriate agreements with The Depository Trust Company as to its services hereunder; the printing, distribution and execution of the Official Statement for the Bonds in substantially the form of the Preliminary Official Statement now before the Council, but with such amendments, additions and deletions as

are in accordance with facts and not inconsistent herewith; and the execution of such certificates as may be required by the Purchaser, including, but not limited to, the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes. The execution of any instrument by the aforementioned officers or members of the Council shall be conclusive evidence of the approval by the City of such instrument in accordance with the terms hereof and thereof.

The form, terms and provisions of the Purchase Contract, the Registrar Agreement and the Continuing Disclosure Certificate, and the Escrow Agreement are hereby approved, and the City shall enter into and perform its obligations under the Purchase Contract, the Registrar Agreement, the Continuing Disclosure Certificate and the Escrow Agreement, in the forms of such documents presented to the Council at this meeting, with only such changes therein as are required by the circumstances and are not inconsistent herewith.

The Mayor or the City Manager are hereby independently authorized to make the final pricing determinations as authorized in Section 5 hereof subject to the parameters set forth herein and execute the Purchase Contract and Sale Certificate relating to same. Additionally, the Mayor or the City Manager are independently authorized to execute and deliver any documents necessary to obtain a municipal bond insurance policy or a financial guaranty insurance policy to secure the payment of the principal of and interest on the Bonds or a Bond Reserve Insurance Policy to fund the Reserve Account Requirement.

Section 26. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds, including without limitation the underwriter's discount and all expenses related to issuing the Bonds, shall be paid either from the proceeds of the Bonds or from legally available moneys of the City, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 27. Acceptance of Purchase Contract. The Council hereby accepts the Purchase Contract as submitted by the Purchaser, and hereby authorizes the sale of the Bonds to the Purchaser upon the terms, conditions, and provisions as set forth in the Purchase Contract. The Council hereby determines that the sale of the Bonds as provided herein and in the Purchase Contract is to the best advantage of the City.

Section 28. Authorization to Execute Collateral Documents. The officers of the City and members of the Council are authorized and directed to take any and all other actions necessary or appropriate to effectuate the provisions of this Ordinance, including but not limited to, obtaining ratings on the bonds, obtaining bond insurance, if any, and executing the Escrow Agreement, Registrar Agreement, the Continuing Disclosure Certificate, and such certificates and affidavits as may be reasonably required by the Purchaser. 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 and deletions therefrom and additions thereto as may be approved by bond counsel prior to the execution of the documents.

Section 29. Approval of Official Statement. The Council hereby approves the Preliminary Official Statement, in the form presented at this meeting. The Council hereby authorizes and directs the City Manager to approve on behalf of the City a final Official Statement

containing any updated information regarding items described in the Preliminary Official Statement which become known to the City prior to the date of delivery of the Bonds. Copies of said Preliminary Official Statement and final Official Statement are hereby authorized to be distributed by the Purchaser to all interested persons in connection with the sale of the Bonds. The Preliminary Official Statement is hereby deemed to be final as of its date within the meaning of Rule 15c2-12(b)(I) of the U.S. Securities and Exchange Commission. The execution of a final Official Statement by an officer of the City shall be conclusively deemed to evidence the approval of the form and contents thereof by the City.

Section 30. No Recourse Against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the 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 on the Bonds. Such recourse shall not be available either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 31. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the City in connection with the authorization or issuance of the Bonds, including but not limited to the adoption of this Ordinance, shall be commenced more than thirty days after the authorization of the Bonds.

Section 32. Ratification and Approval of Prior Action. All actions heretofore taken by the officers of the City and members of the Council, not inconsistent with the provisions of this Ordinance, relating to the authorization, sale, issuance, and delivery of the Bonds, and the qualification of the Bonds for book-entry with The Depository Trust Company, are hereby ratified, approved, and confirmed.

Section 33. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any Person, other than the City, the Bond Insurer, the Registrar, the Paying Agent, and the Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Bond Insurer, the Registrar, the Paying Agent, and the Owners of the Bonds.

Section 34. Severability. If any section, paragraph, clause, or provision of this Ordinance 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 Ordinance, the intent being that the same are severable.

Section 35. Repealer. All orders, resolutions, bylaws, ordinances or regulations of the City, or parts thereof, inconsistent with this Ordinance are hereby repealed to the extent only of such inconsistency.

Section 36. Ordinance Irrepealable. After the Bonds are issued, this Ordinance shall constitute an irrevocable contract between the City and the Owners of the Bonds, and shall be and remain irrepealable until the Bonds and the interest thereon shall have been fully paid, satisfied, and discharged. No provisions of any constitution, statute, charter, ordinance, resolution or other measure enacted after the issuance of the Bonds shall in any manner be construed as impairing the obligations of the City to keep and perform the covenants contained in this Ordinance.

Section 37. Holidays. If the date for making any payment or the last date for performing any act or exercising any right, as provided in this Ordinance, shall be a legal holiday or a non-Business Day, such payment may be made, 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 Ordinance, and no interest shall accrue for the period after such nominal date.

Section 38. Recording, Authentication and Publication. This Ordinance shall be published after first reading in the *Douglas County News Press*, a newspaper of general circulation in the City, with a notation that the Ordinance and any changes hereto shall be considered at a second meeting to be held on December 6, 2016, which date is not less than 14 days after first reading. If this Ordinance is revised upon second reading, such revisions will be published after second reading.

Section 39. Effectiveness. In accordance with Article V, Section 7, of the Charter, this Ordinance shall take effect upon the earlier of 30 days following publication after first reading if no changes are made at second reading, or 20 days after publication following second reading if changes are made upon second reading.

Section 40. Statutes Superseded. Pursuant to Article XX of the Colorado Constitution and the Charter, all statutes of the State of Colorado which might otherwise apply in connection with the City's sales and use tax or the Bonds are hereby superseded to the extent they conflict expressly or impliedly with the provisions of this Ordinance or the Bonds.

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INTRODUCED, READ AND ORDERED PUBLISHED ON NOVEMBER 15, 2016.

PUBLISHED IN THE DOUGLAS COUNTY NEWS PRESS ON NOVEMBER 24, 2016
LEGAL NOTICE NO. 930256.

APPROVED AND ADOPTED WITH[WITHOUT] CHANGES ON SECOND READING THIS
6TH DAY OF DECEMBER, 2016 [AND ORDERED REPUBLISHED].

PUBLISHED WITH CHANGES IN THE DOUGLAS COUNTY *NEWS PRESS* ON _____
__, 2016 LEGAL NOTICE NO. W16-____, TO BECOME EFFECTIVE ON JANUARY
__, 2017.

CITY OF LONE TREE, COLORADO

(SEAL)

Jacqueline A. Millet, Mayor

ATTEST:

Jennifer Pettinger, CMC, City Clerk

STATE OF COLORADO)
)
 COUNTY OF DOUGLAS) SS.
)
 CITY OF LONE TREE)

I, Jennifer Pettinger, City Clerk of the City of Lone Tree, Colorado (the “City”), do hereby certify:

1. The foregoing is a true and correct copy of an ordinance (the “Ordinance”) introduced on first reading at the regular meeting of the City Council of the City (“Council”) on November 15, 2016, and approved and adopted on second reading by the Council at the regular meeting of the Council on December 6, 2016. A quorum of the Council was in attendance at each meeting.

2. The members of the City Council voted on approval and adoption of the Ordinance on second reading on November 15, 2016, as follows:

Name	“Yes”	“No”	Absent	Abstain
Jacqueline A. Millet, Mayor				
Susan Squyer, Mayor Pro-Tem				
Cathie Brunnick				
Jay Carpenter				
Wynne Shaw				

3. The Ordinance was approved and authenticated by the signature of the Mayor, sealed with the City seal, attested by the Clerk and recorded in the minutes of the Council.

4. The Ordinance was published and posted pursuant to the provisions of the Charter of the City. Attached hereto as Exhibit A are affidavits of publication for each publication of the Ordinance required by the Charter.

5. Attached here as Exhibit B are copies of the notices of the meetings as posted at least 24 hours prior to the meeting.

IN WITNESS WHEREOF, I have hereto set my hand and the seal of the City this 6th day of December, 2016.

(SEAL)

 City Clerk

EXHIBIT A

(Attach Affidavits of Publication)

EXHIBIT B

(Attach Notices of Meetings)

**ORDINANCE OF THE
CITY OF LONE TREE**

SERIES OF 2016

ORDINANCE 16-06

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LONE TREE, COLORADO, SALES AND USE TAX REVENUE REFUNDING BONDS (CULTURAL FACILITIES PROJECTS), SERIES 2017B, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING SALES AND USE TAX REVENUE BONDS; PLEDGING CERTAIN SALES AND USE TAX REVENUES OF THE CITY FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; AND PROVIDING OTHER COVENANTS AND DETAILS IN CONNECTION THEREWITH

THE COUNCIL OF THE CITY OF LONE TREE, COLORADO, ORDAINS:

Section 1. Definitions. Terms used in this Ordinance shall have the meanings specified in this Section for all purposes of this Ordinance and of any ordinance amendatory hereof or supplemental hereto, or relating hereto, and of any instrument or document appertaining hereto, except where the context by clear implication otherwise requires. All definitions include the singular and plural and include all genders.

Additional Obligations: any series of bonds, notes, certificates, contracts, or other similar obligations hereafter issued in accordance with Section 19 hereof.

Bond Account: the “City of Lone Tree, Colorado, Sales and Use Tax Revenue Refunding Bonds (Cultural Facilities Projects), Series 2017B Bond Account,” which hereby created for the purpose of paying the principal of, prior redemption premium, if any, and interest on the Bonds.

Bond Insurance Policy: the financial guaranty insurance policy or municipal bond insurance policy issued by the Bond Insurer insuring the payment when due of the principal of and interest on the Bonds, if set forth in the Sale Certificate.

Bond Insurer: the provider of any financial guaranty insurance policy or municipal bond insurance policy, or any successor thereto, if set forth in the Sale Certificate.

Bond Registrar or Registrar: UMB Bank, n.a., Denver, Colorado, or its successor, which shall perform the registration and transfer functions as set forth in this Ordinance.

Bond Reserve Insurance Policy: any unconditional and irrevocable insurance policy, surety bond, letter of credit or similar instrument deposited in or credited to the Reserve Account in lieu of or in partial substitution for moneys on deposit therein. If the Bonds are secured

by a Bond Insurance Policy, the issuer providing any such Bond Reserve Insurance Policy shall be the Bond Insurer or an issuer approved by the Bond Insurer.

Bonds: the City's Sales and Use Tax Revenue Refunding Bonds (Cultural Facilities Projects), Series 2017B.

Business Day: any day other than a Saturday, Sunday or other day on which banks in Denver, Colorado or New York, New York are required or authorized to be closed.

Charter: the home rule charter of the City, as it may be amended from time to time.

City: the City of Lone Tree, Colorado.

City Manager: the City Manager of the City.

Code: the municipal code of the City, as it may be amended from time to time.

Continuing Disclosure Certificate: the Continuing Disclosure Certificate for the Bonds executed by the City.

Council: the City Council of the City.

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

Cultural Facilities Sales and Use Tax Revenues: the proceeds of the City's presently existing 0.1875% cultural facilities sales and use tax imposed pursuant to Ordinance No. 08-10 and Sections 4-3-110 and 4-3-120 of the Code and any future or amended cultural facilities sales and use tax levied by the City and specifically pledged by the Council to the payment of the Bonds. Cultural Facilities Sales and Use Tax Revenues also includes the proceeds derived by the City from any legally available tax or taxes or fees (other than a general ad valorem tax) which replace or supersede the City's presently existing cultural facilities sales and use tax or any future or amended cultural facilities sales and use tax, regardless of whether such tax or taxes or fees are imposed by the City or the State or another political subdivision thereof.

Cultural Facilities Sales and Use Tax Revenues do not include:

(i) incremental sales taxes which are or may be required to be paid into a special fund, or pledged to the payment of obligations pursuant to an urban renewal plan as defined in Section 31-25-103(9), C.R.S., or a plan of development as defined in Section 31-25-802(6.4), C.R.S. or a value capture plan as defined in Section 43-4-508, C.R.S.;

(ii) amounts withheld by retailers and vendors to cover their expenses in collecting and remitting the Cultural Facilities Sales and Use Tax Revenues, and amounts collected by the City and subsequently determined, pursuant to Sections 4-3-370 through 4-3-400 of the Code and other applicable law, to be subject to valid claims for refunds;

(iii) the proceeds of any increase in the City's cultural facilities sales or use tax which may be approved in the future, unless such increase is expressly pledged by the City for the payment of the Bonds; or

(iv) amounts payable by the City under the Sales Tax Sharing Agreements.

Escrow Account means a special fund and separate trust account to be established and maintained pursuant to the Escrow Agreement and this Authorizing Ordinance for the purpose of paying the principal of and interest on the Refunded Bonds.

Escrow Agent means UMB Bank, n.a., Denver, Colorado, and any successor and assign thereof, being a Commercial Bank, a member of the Federal Deposit Insurance Corporation and having full and complete trust powers, where the Escrow Account is established and maintained.

Escrow Agreement means the "Escrow Agreement," entered into by and between the City and the Escrow Agent concerning the establishment and maintenance of the Escrow Account.

Event of Default: one or more of the events set forth in Section 22 of this Ordinance.

Federal Securities: direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee.

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

General Sales and Use Tax Revenues: the proceeds the City's presently existing 1.50% general sales and use tax as imposed by Sections 4-3-110 and 4-3-120 of the Code. General Sales and Use Tax Revenues also includes the proceeds derived by the City from any legally available tax or taxes or fees (other than a general ad valorem tax) which replace or supersede the City's presently existing general sales and use tax in the amount of 1.50%, regardless of whether such tax or taxes or fees are imposed by the City or the State or another political subdivision thereof.

General Sales and Use Tax Revenues do not include:

(i) incremental sales taxes which are or may be required to be paid into a special fund, or pledged to the payment of obligations pursuant to an urban renewal plan as defined in Section 31-25-103(9), C.R.S., or a plan of development as defined in Section 31-25-802(6.4), C.R.S. or a value capture plan as defined in Section 43-4-508, C.R.S.; or

(ii) amounts withheld by retailers and vendors to cover their expenses in collecting and remitting the General Sales and Use Tax Revenues, and amounts collected by the City and subsequently determined, pursuant to Sections 4-3-370 through 4-3-400 of the Code and other applicable law, to be subject to valid claims for refunds;

(iii) the proceeds of any increase in the City's sales or use tax which may be approved in the future, unless such increase is expressly pledged by the City for the payment of the Bonds;

(iv) the Recreation Sales and Use Tax Revenues;

(v) the Cultural Facilities Sales and Use Tax Revenues; or

(vi) amounts payable by the City under the Sales Tax Sharing Agreements.

Insurance Agreement: an agreement entered into between the City and the Bond Insurer pursuant to Section 3 hereof.

Maximum Annual Combined Debt Service Requirement: the maximum amount of all required payments of principal and interest on the Bonds, the 2008A Bonds, the 2009 Bonds, the 2017A Bonds, any Parity Lien Bonds, and any Parity Lien Cultural Facilities Bonds which will become due in any Fiscal Year.

Maximum Annual Debt Service Requirement: the maximum amount of all required payments of principal and interest on the Bonds, the 2008A Bonds, the 2009 Bonds, the 2017A Bonds, any Parity Lien Bonds, and any Parity Lien Cultural Facilities Bonds which will become due in any Fiscal Year.

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

Mayor: the Mayor of the City.

Official Statement: the Official Statement delivered in connection with the original issue and sale of the Bonds.

Ordinance: this Ordinance, which authorizes the issuance of the Bonds.

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

(a) Bonds theretofore canceled by the City, Registrar or Paying Agent, or surrendered to the City, Registrar or Paying Agent for cancellation;

(b) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the City and authenticated by the Registrar

unless proof satisfactory to the Registrar is presented that any such Bonds are duly held by the lawful registered Owners thereof; or

(c) Bonds deemed to have been paid as provided in Section 20 hereof.

Owner or Registered Owner: when used with respect to a Bond or Bonds, means the registered owner of any Outstanding Bond.

Parity Lien Bonds: bonds, notes, certificates, contracts, or other similar obligations hereafter issued in accordance with Section 19(a) hereof, payable in whole or in part from the General Sales and Use Tax Revenues and having a lien thereon on a parity with the lien of the Bonds, the 2008A Bonds, the 2009 Bonds, and the 2017A Bonds.

Parity Lien Cultural Facilities Bonds: bonds, notes, certificates, contracts, or other similar obligations hereafter issued in accordance with Section 19(b) hereof, payable in whole or in part from the Cultural Facilities Sales and Use Tax Revenues and having a lien thereon on a parity with the lien of the Bonds and the 2009 Bonds.

Paying Agent: UMB Bank, n.a., Denver, Colorado, or its successor, which shall perform the function of paying agent as set forth in this Ordinance.

Paying Agent Agreement: the Registrar and Paying Agent Agreement between the City and the Registrar and Paying Agent.

Permitted Investments: any investments or deposits which are at the time permitted by the Charter and applicable ordinances or other provisions of the City.

Pledged Revenues: the Cultural Facilities Sales and Use Tax Revenues and the General Sales and Use Tax Revenues, including investment income as provided in Section 17(h) hereof. The term “Pledged Revenues” does not include the Recreation Sales and Use Tax Revenues or amounts in or required to be paid into the Rebate Account.

Principal Operations Office: the principal operations office of the Registrar or the Paying Agent, as designated in writing to the City from time to time.

Purchase Contract: the Bond Purchase Agreement between the Purchaser and the City with respect to the sale and delivery of the Bonds.

Purchaser: Stifel, Nicolaus & Company, Incorporated, of Denver, Colorado, the original purchaser of the Bonds.

Rebate Account: the account created and designated as such pursuant to Section 17(e) hereof.

Record Date: the fifteenth (15th) day of the calendar month next preceding each interest payment date.

Recreation Sales and Use Tax Revenues: the proceeds of the City's presently existing 0.125% park and recreation sales and use tax imposed pursuant to Ordinance No. 08-10 and Sections 4-3-110 and 4-3-120 of the Code and any future or amended park and recreation sales and use tax levied by the City.

Redemption Date means earliest date on which the Refunded Bonds may be called for redemption as specified in the Sale Certificate.

Refunded Bonds means any of the currently outstanding 2009 Bonds as specified in the Sale Certificate.

Refunded Bond Requirements means the payment of (i) the interest due on the Refunded Bonds on and before the Redemption Date and (ii) the principal of the Refunded Bonds due on or before the Redemption Date.

Refunding Project means (a) the payment of the Refunded Bond Requirements and (b) the payment of the costs of issuing the Bonds.

Reserve Account: the "City of Lone Tree, Colorado, Sales and Use Tax Revenue Refunding Bonds (Cultural Facilities Projects), Series 2017B Reserve Account," which is hereby created for the purpose of providing additional security for paying the principal of, prior redemption premium, if any, and interest on the Bonds.

Reserve Account Requirement: zero dollars until such time as the City is required to fund the Reserve Account pursuant to Section 17(b) hereof. Thereafter, "Reserve Account Requirement" shall mean an amount equal to the least of (i) 10% of the original proceeds, as defined in the Tax Code, of the Bonds; (ii) 100% of the maximum amount of all required payments of principal and interest on the Bonds which will become due in any Fiscal Year, or (iii) 125% of the average amount of all required payments of principal and interest on the Bonds which will become due in any Fiscal Year, to be maintained in the Reserve Account, except to the extent of any Bond Reserve Insurance Policy therein.

Sale Certificate: the certificate executed by the Mayor or the City Manager dated on or before the date of delivery of the Bonds, setting forth (i) the specific maturities of the Refunded Bonds to be refunded; (ii) the rates of interest on the Bonds, (iii) the conditions on which and the prices at which the Bonds may be called for redemption; (iv) the existence and amount of any capitalized interest or reserve fund; (v) the price at which the Bonds will be sold; (vi) the principal amount of the Bonds; (vii) the amount of principal of the Bonds maturing on each date; (viii) the dates on which principal and interest will be paid and the first interest payment date; (ix) whether the Bonds will be secured by a municipal bond insurance policy or financial guaranty insurance policy; and (ix) any other matters which may be determined by the Mayor or the City Manager pursuant to Section 11-57-205 of the Supplemental Act.

Sales Tax Sharing Agreements: the Sales Tax Sharing Agreement between the City and Colony Investments, Inc., made and entered into as of September 18, 2001, as amended January 1, 2015, and the Intergovernmental Agreement between the City and Park Meadows Business Improvement District, dated as of December 15, 2006, as amended by the First Amendment to Intergovernmental Agreement, made and entered into as of December 19, 2006.

Special Record Date: a special date fixed to determine the names and addresses of Owners of Bonds for purposes of paying interest on a special interest payment date for the payment of defaulted interest.

Subordinate Lien Bonds: bonds, notes, certificates, contracts, or other similar obligations issued in accordance with Section 17 and Section 19(a) hereof, payable in whole or in part from the General Sales and Use Tax Revenues and having a lien thereon which is subordinate to the lien of the Bonds, the 2008A Bonds, the 2009 Bonds, the 2017A Bonds, and any Parity Lien Bonds, including, without limitation, certain obligations of the City under various contracts as may be in effect from time to time pursuant to which the City agrees to rebate portions of its sales and use tax revenues to other parties to such contracts which contracts are expressly subordinate to the lien of the Bonds, 2008A Bonds, the 2009 Bonds, the 2017A Bonds, and any Parity Lien Bonds on the General Sales and Use Tax Revenues.

Subordinate Lien Cultural Facilities Bonds: bonds, notes, certificates, contracts, or other similar obligations issued in accordance with Section 17 and Section 19(b) hereof, payable in whole or in part from the Cultural Facilities Sales and Use Tax Revenues and having a lien thereon which is subordinate to the lien of the Bonds, the 2009 Bonds, and any Parity Lien Cultural Facilities Bonds, including, without limitation, certain obligations of the City under various contracts as may be in effect from time to time pursuant to which the City agrees to rebate portions of its sales and use tax revenues to other parties to such contracts which contracts are expressly subordinate to the lien of the Bonds, the 2009 Bonds, and any Parity Lien Cultural Facilities Bonds on the Cultural Facilities Sales and Use Tax Revenues.

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

Tax Code: the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and applicable regulations and rulings thereunder or under any predecessor thereto.

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

2008 Election means the election held within the City on May 6, 2008, pursuant to which the 2008A Bonds and 2009 Bonds were issued.

2008A Bonds; the City's Sales and Use Tax Revenue Bonds (Recreation Projects), Series 2008A, originally issued in the aggregate principal amount of \$11,000,000.

2008A Ordinance: Ordinance No. 08-11 of the City adopted on August 19, 2008, authorizing the issuance of the 2008A Bonds.

2009 Bonds: the City's Sales and Use Tax Revenue Bonds (Cultural Facilities Projects), Series 2009, originally issued in the aggregate principal amount of \$16,880,000.

2009 Ordinance: Ordinance No. 08-12, as amended by Ordinance No. 09-03, adopted by the City on August 19, 2008, and as amended on July 7, 2009, authorizing the issuance of the 2009 Bonds.

2017A Bonds: the City's Sales and Use Tax Revenue Refunding Bonds (Recreation Projects), Series 2017A expected to be issued concurrently with the Bonds. In the event that the 2017A Bonds are not issued, any reference herein to the 2017A Bonds shall be of no force or effect.

2017A Ordinance: the ordinance of the City adopted concurrently herewith authorizing the issuance of the 2017A Bonds.

Section 2. Recitals.

A. The City is a legally and regularly created, established, organized and existing municipal corporation under the provisions of Article XX of the Constitution of the State of Colorado and the Charter.

B. Section 13.4 of the Charter provides that the City may issue securities payable solely from revenues derived from the proceeds of any sales tax or use tax by action of Council and without an election.

C. Article X, Section 20 of the Colorado Constitution requires voter approval in advance for the creation of any new tax, any tax rate increase, and any multiple-fiscal year direct or indirect debt or other financial obligation.

D. At the 2008 Election, a majority of the qualified electors of the City voting thereon approved the issuance of revenue bonds and an increase in the City's sales and use tax pursuant to the following question (the "Cultural Facilities Question"):

SHALL CITY OF LONE TREE DEBT BE INCREASED \$18.5 MILLION WITH A MAXIMUM REPAYMENT COST OF \$28.2 MILLION AND SHALL CITY SALES AND USE TAXES BE INCREASED UP TO \$2.65 MILLION ANNUALLY IN THE FIRST FULL FISCAL YEAR AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER, BY INCREASING THE RATE OF SALES AND USE TAX LEVIED BY THE CITY BY .1875 PERCENT (18.75 CENTS ON A \$100 PURCHASE) SUBJECT TO THE FOLLOWING LIMITATIONS:

◆ THE PROCEEDS OF THE DEBT AND THE TAXES SHALL BE USED TO FINANCE, WITHIN THE BOUNDARIES OF THE CITY, FOR THE BENEFIT OF CITY RESIDENTS, THE COSTS OF CULTURAL FACILITIES INCLUDING, BUT NOT LIMITED TO, PERFORMANCE THEATERS, EXHIBIT AREAS, MEETING ROOMS, GALLERIES AND OTHER

IMPROVEMENTS, AND TO PAY THE COST OF ISSUANCE OF THE DEBT, INCLUDING ANY NECESSARY RESERVES;

◆ THE INCREASE IN THE SALES AND USE TAX RATE SHALL BEGIN ON JULY 1, 2008 AND END ON DECEMBER 31, 2023 OR AFTER THE FULL PAYMENT OF SUCH DEBT, WHICHEVER COMES FIRST;

◆ THE CITY MAY PLEDGE TO THE PAYMENT OF THE DEBT SUCH SALES AND USE TAX REVENUES, INVESTMENT INCOME, AND OTHER CITY REVENUES AS THE CITY COUNCIL MAY DETERMINE;

◆ THE SPECIFIC TERMS OF THE DEBT SHALL BE DETERMINED BY THE CITY COUNCIL AS NECESSARY AND PRUDENT AND MAY INCLUDE A PROVISION FOR EARLY REPAYMENT WITH OR WITHOUT A PREMIUM OF NOT MORE THAN 3%;

AND SHALL THE CITY BE AUTHORIZED TO ISSUE DEBT TO REFUND THE DEBT AUTHORIZED IN THIS QUESTION, PROVIDED THAT AFTER THE ISSUANCE OF SUCH REFUNDING DEBT THE TOTAL OUTSTANDING PRINCIPAL AMOUNT OF ALL DEBT ISSUED PURSUANT TO THIS QUESTION DOES NOT EXCEED THE MAXIMUM PRINCIPAL AMOUNT SET FORTH ABOVE, AND PROVIDED FURTHER THAT ALL DEBT ISSUED BY THE CITY PURSUANT TO THIS QUESTION IS ISSUED ON TERMS THAT DO NOT EXCEED THE REPAYMENT COSTS AUTHORIZED IN THIS QUESTION; AND SHALL THE CITY BE AUTHORIZED TO USE THE PROCEEDS OF SUCH TAXES TO HONOR SALES AND USE TAX REVENUE SHARING CONTRACTUAL COMMITMENTS; AND SHALL THE REVENUES RAISED BY SUCH SALES AND USE TAX RATE INCREASE AND PROCEEDS OF SUCH DEBT, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE CITY AS A VOTER-APPROVED REVENUE CHANGE PURSUANT TO ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

E. Pursuant to the 2008 Election, the City has previously issued the 2009 Bonds, in the original aggregate principal amount of \$16,880,000, which are outstanding as of January 1, 2017, in the aggregate principal amount of \$10,065,000.

F. The 2009 Bonds maturing on and after December 1, 2020, are subject to redemption prior to maturity at the option of the City on December 1, 2019, and on any date thereafter, at the redemption price equal to the principal amount so redeemed, plus accrued interest to the redemption date without a redemption premium.

G. The City now desires to use a portion of the proceeds of the Bonds to refund, pay and discharge any of the 2009 Bonds designated in the Sale Certificate, and to place such funds in escrow, in order to pay, discharge and redeem the Refunded Bonds and to pay the Refunded Bond Requirements.

H. The City is not delinquent in the payment of the principal of or interest on any of the 2009 Bonds.

I. Pursuant to Article X, Section 20(4) of the Colorado Constitution, the Bonds may be issued without voter approval to refinance debt at a lower interest rate.

J. Pursuant to Section 13.5 of the Charter, the City may issue refunding securities for the purpose of refunding and providing for the payment of outstanding securities or other obligations of the City as the same mature, or in advance of maturity by means of an escrow or otherwise.

K. The Council hereby determines to authorize and issue the Bonds for the purpose of defraying the costs of the Refunding Project.

L. The City desires to pledge the Pledged Revenues to secure the payment of the principal of, interest on and prior redemption premium, if any, due in connection with the Bonds on a parity with the Parity Lien Bonds and the Parity Lien Cultural Facilities Bonds.

M. The Bonds shall be secured and payable from the available proceeds of the Cultural Facilities Sales and Use Tax Revenue imposed and collected pursuant to the Cultural Facilities Question.

N. The Bonds additionally shall be secured and payable from the available proceeds of the General Sales and Use Tax Revenue on a parity with the lien thereon of the 2008A, the 2009 Bonds, the 2017A Bonds and any Parity Lien Bonds hereafter issued.

O. The Bonds shall not be secured by or payable from the proceeds of the Recreation Sales and Use Tax Revenue, which is imposed and collected specifically for park and recreation facilities that will not be financed with the proceeds of the Bonds.

P. Other than the Sales Tax Sharing Agreements, the 2008A Bonds, the 2009 Bonds, and the 2017A Bonds, there are no outstanding liens on any of the City's sales and use tax, such tax has not been pledged to the payment of any bonds or for any purpose, and a portion of such tax may now be pledged lawfully and irrevocably for the payment of the Bonds as set forth herein.

Q. The Bonds shall constitute a special revenue obligation of the City payable from and secured by the Pledged Revenues, subject to the limitations set forth herein, and the

Bonds shall not constitute a debt or an indebtedness of the City payable from ad valorem taxes or to which the full faith and credit of the City are pledged, or held to be a general obligation of the City.

R. After consideration, the City Council has determined that delivery of the Bonds and implementing the Refunding Project is in the best interests of the City and the residents thereof.

S. Pursuant to the Escrow Agreement there shall be placed in escrow and in trust with the Escrow Agent, a portion of the proceeds of the Bonds, together with such other legally available moneys of the City as may be necessary, in an amount sufficient to meet all requirements of principal and interest on the Refunded Bonds as the same shall become due upon maturity or prior redemption on the Redemption Date.

T. There are on file with the City Clerk the following:

- (i) the form of Purchase Contract;
- (ii) the form of the Escrow Agreement;
- (iii) the form of Registrar and Paying Agent Agreement;
- (iv) the form of a Preliminary Official Statement;
- (v) the form of a Continuing Disclosure Certificate.

U. None of the members of the Council have any potential conflicting interests in connection with the authorization, issuance, or execution of the Bonds, or the use of the proceeds of the Bonds.

V. Section 11-57-204 of 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.

W. It is necessary to provide for the form and details of the Bonds, the payment of the Bonds, and other provisions relating to the authorization and issuance of the Bonds.

Section 3. Authorization and Election to Apply the Supplemental Public Securities Act to the Bonds. In accordance with the Charter, the constitution and laws of the State of Colorado, and the provisions of this Ordinance, for the purpose of financing the costs of the Refunding Project, there are hereby authorized to be issued fully registered sales and use tax revenue bonds of the City, each to be designated “City of Lone Tree, Colorado, Sales and Use Tax Revenue Refunding Bonds (Cultural Facilities Projects), Series 2017B,” in an aggregate principal amount not to exceed \$7,065,000, to be payable and collectible, as to principal, prior redemption premium, if any, and interest, from the Pledged Revenues. Section 11-57-204 of 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 to the Bonds. The Council hereby elects to apply all of the Supplemental Act to the Bonds. The Bonds are issued under the authority of the

Supplemental Act and shall so recite as provided in Section 8 hereof. Pursuant to Section 11-57-210, C.R.S., such recital conclusively imparts full compliance with all the provisions of said sections, and the Bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

Either the Mayor or the City Manager is hereby independently authorized and directed to execute and deliver the Sale Certificate and to make and approve the final determinations contained therein, subject to the parameters and restrictions of this Ordinance. Either the Mayor or the City Manager is hereby authorized to determine if obtaining municipal bond insurance or financial guaranty insurance is in the best interest of the City, and if so, to select a Bond Insurer to issue the Bond Insurance Policy, execute a commitment relating to the same, and execute any Insurance Agreement and any other documents or instruments required by such commitment. If it is determined that the Bonds will be sold without a municipal bond insurance policy or financial guaranty insurance policy, all references herein to Bond Insurer, Bond Insurance Policy and Insurance Agreement are of no force or effect.

Section 4. Special Obligations; Pledge; Negotiability.

(a) Special Obligations. All of the Bonds, together with the interest thereon and any prior redemption premium, shall be payable and collectible only out of the Pledged Revenues and any moneys and securities paid or to be paid to or held or to be held in the Bond Account and the Reserve Account, which are hereby so pledged and are to be deposited and maintained as required by Section 17 hereof. The Owner or Owners of the Bonds may not look to any ad valorem property taxes levied or collected by the City for the payment of the principal of, prior redemption premium, if any, and interest on the Bonds. The Bonds shall constitute special limited obligations of the City and shall not constitute a debt or an indebtedness of the City within the meaning of any constitutional, Charter, or statutory provision or limitation; nor shall they be considered or held to be general obligations of the City. None of the covenants, agreements, representations and warranties contained herein or in the Bonds shall ever impose or be construed as imposing any liability, obligation or charge against the City (except to the extent of the Pledged Revenues and any moneys and securities paid or to be paid to or held or to be held in the Bond Account and the Reserve Account) or its general credit, payable out of its general funds or out of any funds derived from ad valorem property taxation. The Recreation Sales and Use Tax Revenues shall not constitute Pledged Revenues and shall not be pledged for the payment of the Bonds.

(b) Pledge Securing the Bonds. The Bonds constitute a pledge of, and an irrevocable lien (but not necessarily an exclusive such lien) on the Pledged Revenues and any moneys and securities paid or to be paid to or held or to be held in the Bond Account and the Reserve Account. The Bonds are equitably and ratably secured by a lien on the Pledged Revenues. The pledge of the General Sales and Use Tax Revenues (as part of the Pledged Revenues) to secure the payment of the principal of, prior redemption premiums, if any, and interest on the Bonds is on a parity with the pledge of the General Sales and Use Tax Revenues for and lien thereon of the 2008A Bonds, the 2009 Bonds, the 2017A Bonds, and any Parity Lien Bonds hereafter issued, as provided herein. The pledge of the Cultural Facilities Sales and Use Tax Revenues (as part of the Pledged Revenues) to secure the payment of the principal of, prior redemption premiums, if any, and interest on the Bonds is on a parity with the pledge of the Cultural Facilities Sales and Use Tax Revenues for and lien thereon of the 2009 Bonds and any Parity Lien Cultural Facilities Bonds

hereafter issued, as provided herein. The amounts required to be paid by the City under the Sales Tax Sharing Agreements are excluded from the pledge which secures the payment of the 2008A Bonds, the 2009 Bonds, the 2017A Bonds and the Bonds. This pledge of the Pledged Revenues shall be valid and binding from and after the date of the delivery of the Bonds, and the Pledged Revenues received by the City and hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act. The lien of this pledge of the Pledged Revenues shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City irrespective of whether such parties have notice thereof. The lien of this pledge on the Pledged Revenues and the obligation to perform the contractual provisions made herein shall have priority over any or all other obligations and liabilities of the City, except with respect to the parity lien on the General Sales and Use Tax Revenues of the 2008A Bonds, the 2009 Bonds, the 2017A Bonds, and any Parity Lien Bonds hereafter issued, as provided herein, and except with respect to the 2009 Bonds and any parity lien on the Cultural Facilities Sales and Use Tax Revenues which may be pledged to any Parity Lien Cultural Facilities Bonds hereafter issued, as provided herein.

(c) No Pledge of Property. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City, except the Pledged Revenues and any moneys and securities paid or to be paid to or held or to be held in the Bond Account and the Reserve Account as provided herein. No property of the City, subject to such exception, shall be liable to be forfeited or taken in payment of the Bonds.

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

(e) Negotiability. The issuance of the Bonds by the City shall constitute a warranty by and on behalf of the City for the benefit of each and every Owner of any of the Bonds that the Bonds have been issued for valuable consideration in full conformity with law. Subject to the registration provisions hereof and Section 11 hereof, the Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the Owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Colorado Uniform Commercial Code. The principal of, prior redemption premium, if any, and interest on the Bonds shall be paid, and the Bonds shall be transferable, free from and without regard to any equities between the City and the original or any intermediate Owner of any Bonds or any setoffs or cross-claims.

Section 5. Bond Details.

(a) The Bonds shall be issued in fully registered form (i.e., registered as to payment of both principal and interest), initially registered in the name of Cede and Co. as nominee for The Depository Trust Company, New York, New York, as securities depository for the Bonds. The Bonds shall be issued in denominations of \$5,000 or integral multiples thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on its

maturity date and no individual Bond will be issued for more than one maturity and interest rate). The Bonds shall be numbered in such manner as the Registrar shall determine.

(b) The Bonds shall be dated as of the date of their delivery to the Purchaser. The Bonds shall mature, bear interest from their dated date to maturity and be sold, all as provided in the Sale Certificate; provided that:

(i) the aggregate principal amount of the Bonds shall not exceed \$7,065,000;

(ii) the Bonds shall mature no later than December 1, 2023;

(iii) the purchase price of the Bonds, shall not be less than 98% of the principal amount thereof;

(iv) the Bonds shall not be subject to redemption prior to maturity at the option of the City;

(v) the maximum total repayment cost of the Bonds shall not exceed \$7,800,000 and the maximum annual repayment cost shall not exceed \$1,850,000.

Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable on the dates set forth in the Sale Certificate and commencing on the date provided in the Sale Certificate.

Section 6. Payment of Bonds - Paying Agent and Bond Registrar.

(a) The principal of and prior redemption premium, if any, on any Bond shall be payable to the Owner thereof as shown on the registration records kept by the Registrar, upon maturity thereof and upon presentation and surrender at the Principal Operations Office of the Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the same interest rate borne by said Bond until the principal thereof is paid in full. Payment of interest on any Bond shall be made by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to the Owner thereof at the address shown on the registration records kept by the Registrar at the close of business on the Record Date; but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner of the applicable Bond at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date and the date fixed for payment of the defaulted interest shall be fixed by the Registrar whenever monies become available for payment of the defaulted interest. Notice of the Special Record Date and the date fixed for payment of the defaulted interest shall be given to the Owners of the Bonds not less than ten days prior to the Special Record Date by first-class mail to each such Owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Paying Agent; provided, however, that the City

shall not be required to make funds available to the Paying Agent prior to the payment dates stated in this Section. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar.

(b) The Registrar or Paying Agent may resign on thirty days prior written notice to the City and the Bond Insurer, provided that no such resignation shall be effective until a successor Registrar and Paying Agent, acceptable to the Bond Insurer, is appointed. The City, with consent of the Bond Insurer, or the Bond Insurer, at any time may reasonably determine that the Registrar or Paying Agent is incapable of fulfilling its duties hereunder and may remove it, upon thirty days prior written notice. If the Registrar or Paying Agent initially appointed hereunder shall resign, or shall be removed, the City may, upon notice mailed to the Bond Insurer and to each Owner at his or her address last shown on the registration records, appoint a successor, acceptable to the Bond Insurer, to such Registrar or Paying Agent. Every such successor Registrar or Paying Agent shall be a bank or trust company located in and in good standing in the United States and having shareholders' equity (e.g., capital stock, surplus and profits), however denominated, not less than \$10,000,000. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

Section 7. Prior Redemption.

(a) Optional Prior Redemption. The Bonds designated in the Sale Certificate, if any, will be subject to redemption at the option of the City from any legally available funds on the dates set forth in the Sale Certificate in whole, or in part from any maturities, in any order of maturity and by lot within a maturity from Bonds of the same maturity and interest rate, in such manner as the City may determine (giving proportionate weight to Bonds in denominations larger than \$5,000), at the price set forth in the Sale Certificate, subject to the parameters and restrictions of this Ordinance.

The Registrar shall not be required to give notice of any such optional redemption unless it has received written instructions from the City in regard thereto at least sixty days prior to such redemption date.

(b) Mandatory Redemption. The Term Bonds, if any, are subject to mandatory sinking fund redemption, at the times, in the amounts and at the prices provided in the Sale Certificate.

On or before thirty (30) days prior to each sinking fund installment date, the Registrar shall, without any notice or instruction from the City, proceed to call the Term Bonds (or any Term Bond or Term Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next mandatory sinking fund redemption date, and give notice of such call without other instruction or notice from the City.

At its option, to be exercised on or before the sixtieth (60th) day next preceding each such sinking fund redemption date, the City may (a) deliver to the Registrar for cancellation Term Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption

obligation for any Term Bonds of the same maturity subject to mandatory sinking fund redemption on such date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond so delivered or previously redeemed will be credited by the Registrar at the principal amount thereof on the obligation of the City on such sinking fund redemption date and the principal amount of Term Bonds to be redeemed by operation of such sinking fund on such date will be accordingly reduced. The City will on or before the sixtieth day next preceding each sinking fund redemption date furnish the Registrar with its certificate indicating whether or not and to what extent the provisions of (a) and (b) of the preceding sentence are to be availed with respect to such sinking fund payment. Failure of the City to deliver such certificate shall not affect the Registrar's duty to give notice of sinking fund redemption as provided in this paragraph.

(c) Notice. Notice of redemption shall be given by the Registrar in the name of the City by sending a copy of such official notice by first-class, postage prepaid mail, not more than sixty nor less than thirty days prior to the redemption date to the Bond Insurer and each Registered Owner at his address as it last appears on the registration books kept by the Registrar, provided that so long as the Bonds are held by DTC or any other Depository, such notice may be given by electronic means in lieu of mailed notice; but neither failure to give such notice nor any defect therein shall affect the redemption of any Bond. Such notice shall identify the Bonds to be so redeemed (if less than all are to be redeemed) and the redemption date, and shall further state that on such redemption date there will become and be due and payable upon each Bond so to be redeemed, at the Paying Agent, the principal amount thereof, any redemption premium, and accrued interest to the redemption date and that from and after such date interest will cease to accrue. Prior to any redemption date, the City shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be promptly canceled by the Paying Agent and such canceled Bonds shall be delivered by the Paying Agent or Registrar to the City if requested by the City, and shall not be reissued.

(d) Partial Redemption. In the case of Bonds of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, in which case the Registrar shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof of the same maturity in the amount of the unpaid principal.

(e) Conditional Call Provision. Notwithstanding the provisions of this Section, any notice of optional redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that

if such funds are not available, such redemption shall be canceled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed.

Section 8. Form and Execution of Bonds. The Bonds shall be signed with the facsimile or manual signature of the Mayor or Mayor-Pro Tem of the City, sealed with a facsimile or manual impression of the seal of the City, and attested by the facsimile or manual signature of the City Clerk. Should any officer whose facsimile or manual signature appears on the Bonds cease to be such officer before delivery of the Bonds to the Purchaser, such facsimile or manual signature shall nevertheless be valid and sufficient for all purposes.

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

The Bonds shall be in substantially the following form (provided that any of the text of the Bonds may, with appropriate reference, be printed on the back of the Bonds):

[Form of Bond]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered Owner hereof, Cede & Co., has an interest herein.

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTY OF DOUGLAS

CITY OF LONE TREE

SALES AND USE TAX REVENUE REFUNDING BOND
(CULTURAL FACILITIES PROJECTS)
SERIES 2017B

INTEREST RATE MATURITY DATE DATED AS OF CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The City of Lone Tree, in the County of Douglas and State of Colorado, a municipal corporation duly organized and operating under the home rule Charter of the City and the constitution and laws of the State of Colorado, for value received, hereby promises to pay from the special funds and accounts hereafter designated, but not otherwise, to the Registered Owner named above, or registered assigns, on the maturity date specified above, the principal amount specified above, and in like manner to pay interest on such principal amount at the interest rate per annum specified above, payable semiannually on _____ and _____ each year, commencing on _____, 20__, until such principal amount is paid. This Bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this Bond. This Bond is one of an authorized series of bonds (the “Bonds”) issued pursuant to an ordinance of the City Council adopted on December 6, 2016 (the “Bond Ordinance”). The Bonds are all issued under and equally and ratably secured by and entitled to the security of the Bond Ordinance. This Bond bears interest, matures, is payable and is transferable as provided in the Bond Ordinance. To the extent not defined herein, terms used in this Bond shall have the same meanings as set forth in the Bond Ordinance.

The principal of and prior redemption premium, if any, on this Bond is payable upon presentation and surrender hereof at the Principal Operations Office of the Paying Agent. Interest on this Bond will be paid on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), by check or draft mailed to the person in whose name this Bond is registered in the registration records of the City maintained by the Registrar at its Principal Operations Office and at the address appearing thereon at the close of business on the Record Date.

The Bonds are all of like date, tenor, and effect except as to number, principal amount, interest rate, and date of maturity and are issued by the City Council of the City for the purpose of refinancing cultural facilities under the authority of and in full conformity with the City's home rule Charter, the constitution and laws of the State of Colorado, and pursuant to the duly adopted Bond Ordinance.

The principal of, redemption premium, if any, and interest on this Bond are payable only from the proceeds of the Pledged Revenues, all as more particularly set forth in the Bond Ordinance. This Bond constitutes a special limited obligation of the City, secured only by a lien, but not necessarily an exclusive lien, on the Pledged Revenues. This Bond does not constitute a debt of the City within the meaning of any constitutional, home rule charter, or statutory limitation, and shall not be considered or held to be a general obligation of the City. Neither the members of the City Council nor any persons executing this Bond shall be personally liable for this Bond.

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

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

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

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the certificate of authentication hereon shall have been manually signed by the Bond Registrar.

IN TESTIMONY WHEREOF, the City Council of the City of Lone Tree, Colorado, has caused this Bond to be signed by the manual or facsimile signature of the Mayor of the City, sealed with a manual or facsimile impression of the seal of the City, and attested by the manual or facsimile signature of the City Clerk, all as of _____, 2017.

CITY OF LONE TREE, COLORADO

(SEAL OR FACSIMILE)

(Manual or Facsimile Signature)

Mayor

ATTESTED:

(Manual or Facsimile Signature)

City Clerk

[Form of Bond Registrar's Certificate of Authentication]

CERTIFICATE OF AUTHENTICATION

Date of Registration
and Authentication:

This Bond is one of the Bonds of the issue described in the within-mentioned Bond Ordinance, and this Bond has been duly registered in the registration records kept by the undersigned as Bond Registrar.

UMB BANK, N.A., as Registrar

By _____
Authorized Officer

(Form of Prepayment Panel)

PREPAYMENT PANEL

The following installments of principal (or portion thereof) of this Bond have been prepaid in accordance with the terms of the Ordinance authorizing the issuance of this Bond.

<u>Date of Prepayment</u>	<u>Principal Prepaid</u>	<u>Signature of Authorized Representative of the Depository</u>

(End of Form of Prepayment Panel)

[Form of Assignment]

ASSIGNMENT

FEES AND TAXES MAY BE CHARGED FOR
TRANSFER OR EXCHANGE OF THIS BOND

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ attorney, to transfer said Bond on the records kept for registration thereof with full power of substitution in the premises.

Signature of Owner:

NOTICE: The signature to this assignment must correspond with the name of the Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Dated: _____

Signature guaranteed:

(Bank, Trust Company, or Firm)
Signature must be guaranteed by a member of the Medallion Signature Program

Address or transferee:

Social Security or other tax identification number of transferee:

[End of Form of Assignment]

[Form of Statement of Insurance]

[To be added if a Bond Insurance Policy is acquired by the City]

[End Form of Statement of Insurance]

Section 9. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until a certificate of authentication on such Bond substantially in the form hereinabove set forth shall have been duly manually executed by the Bond Registrar, and such executed certificate of the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Bond Registrar, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any of the Bonds initially delivered pursuant to this Ordinance, the Bond Registrar and Paying Agent shall be deemed to have assented to the provisions of, and to have agreed to abide by and to perform the duties provided for them in, this Ordinance.

Section 10. Delivery of Bonds. After the adoption of this Ordinance, the City shall execute the Bonds and deliver them to the Bond Registrar, and the Bond Registrar shall authenticate the Bonds and deliver them to the Purchaser, as directed by the City.

Section 11. Registration, Transfer and Exchange.

(a) Records for the registration and transfer of the Bonds shall be kept by the Bond Registrar, which is hereby appointed by the City as registrar (i.e., transfer agent) for the Bonds. Upon the surrender for transfer of any Bond at the Principal Operations Office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his or her attorney duly authorized in writing, the Bond Registrar shall enter such transfer on the registration records and shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. Bonds may be exchanged at the Principal Operations Office of the Bond Registrar for an equal aggregate principal amount of Bonds of the same maturity of other authorized denominations. The Bond Registrar shall authenticate and deliver a Bond or Bonds which the Owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Bond Registrar may impose reasonable charges in connection with such exchanges and transfers of Bonds, which charges (as well as any tax or other governmental charge required to be paid with respect to such exchange or transfer) shall be paid by the Owner requesting such exchange or transfer.

(b) Except as may otherwise be provided with respect to payment of interest pursuant to Section 6 hereof, the person in whose name any Bond shall be registered on the registration records kept by the Bond Registrar shall be deemed and regarded as the absolute Owner thereof for the purpose of making payment thereof and for all other purposes and payment of or on account of principal of, prior redemption premium, if any, and interest on any Bond shall be made only to or upon the written order of the Owner thereof or his or her legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

Section 12. Book Entry.

(a) Notwithstanding any contrary provision of this Ordinance, the Bonds shall initially be evidenced by one Bond for each maturity date and interest rate at which the Bonds mature in denominations equal to the aggregate principal amount of the Bonds maturing for that maturity date and interest rate. Such initially delivered Bonds shall be registered in the name of “Cede & Co.” as nominee for The Depository Trust Company, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

(i) to any successor of The Depository Trust Company or its nominee, which successor must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), Colorado Revised Statutes and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended; or

(ii) upon the resignation of The Depository Trust Company or a successor or new depository under clause (i) or this clause (ii) of this paragraph (a), or a determination by the Council that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the designation by the Council of another depository institution acceptable to the Council and to the depository then holding the Bonds, which new depository institution must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), Colorado Revised Statutes and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor new depository; or

(iii) upon the resignation of The Depository Trust Company or a successor or new depository under clause (i) or clause (ii) of this paragraph (a), or a determination of the Council that The Depository Trust Company or such successor or new depository is no longer able to carry out its functions, and the failure by the Council, after reasonable investigation, to locate another qualified depository institution under clause (ii) to carry out such depository functions.

(b) In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (i) of paragraph (a) hereof or designation of a new depository pursuant to clause (ii) of paragraph (a) hereof, upon receipt of the Outstanding Bonds by the Bond Registrar, together with written instructions for transfer satisfactory to the Bond Registrar, a new Bond for each maturity date and interest rate of the Bonds then Outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (iii) of paragraph (a) hereof and the failure after reasonable investigation to locate another qualified depository institution for the Bonds as provided in clause (iii) of paragraph (a) hereof, and upon receipt of the Outstanding Bonds by the Bond Registrar, together with written instructions for transfer satisfactory to the Bond Registrar, new Bonds shall be issued in the denominations of \$5,000 or any integral multiple thereof, as provided in and subject to the limitations of Section 11

hereof, registered in the names of such persons, and in such authorized denominations as are requested in such written transfer instructions; however, the Bond Registrar shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

(c) The Council, the Bond Registrar and the Paying Agent shall be entitled to treat the Owner of any Bond as the absolute Owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the Council, the Bond Registrar and the Paying Agent shall have no responsibility for transmitting payments to the beneficial owners of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to paragraph (a) hereof.

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

Section 13. Cancellation and Destruction of Bonds. Whenever any Outstanding Bond shall be delivered to the Bond Registrar for payment pursuant to this Ordinance and upon payment of the principal amount and interest represented thereby, such Bond shall be canceled in accordance with the customary practices of the Bond Registrar and applicable retention laws. Whenever any Outstanding Bond shall be delivered to the Bond Registrar for transfer pursuant to the provisions hereof, such Bond shall be canceled in accordance with the customary practices of the Bond Registrar and applicable retention laws.

Section 14. Lost Bonds. If any Bond shall be lost, stolen, destroyed or mutilated, the Bond Registrar may, upon receipt of such evidence, information and indemnity relating thereto as it or the City may reasonably require, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Bond Registrar may direct that such Bond be paid by the Paying Agent in lieu of replacement. The Bond Registrar and the City may require that the Owner of any such Bond pay their reasonable fees, charges and expenses relating to their activities pursuant to this Section.

Section 15. Disposition of Bond Proceeds and Additional Deposits. The Bonds, when executed and registered as provided by law, shall be delivered to the Purchaser as directed by the City, and proceeds derived therefrom shall be used exclusively for the purposes of paying the costs of the Refunding Project, including the costs of issuing the Bonds. After the payment of such costs of the Refunding Project, any unexpended balance of Bond proceeds may be deposited into the Bond Account for the payment of the principal of, prior redemption premium, if any, and interest on the Bonds as the same become due or applied to other lawful uses, subject to the provisions of Section 16 hereof. Neither the Purchaser nor any subsequent Owners of the Bonds shall be responsible for the application or disposal by the City or any of its officers of the funds derived from the sale thereof.

Section 16. Tax Covenant and Rebate Account.

(a) The City covenants that it will not take any action or omit to take any action with respect to the Bonds, the proceeds of the Bonds, any other funds of the City or the facilities financed or refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause the interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income, or (iii) would cause interest on the Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The foregoing covenants shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenants under the Tax Code and State law have been met.

(b) All of the amounts on deposit in any fund or account created under this Ordinance, and all amounts pledged to the payment of the Bonds, shall be invested in compliance with the requirements of Subsection (a) of this Section 16. Amounts on deposit in the Rebate Account shall not be subject to the lien and pledge of this Ordinance, to the extent that such amounts are required to be paid to the United States Treasury. The City shall deposit Pledged Revenues into the Rebate Account, as provided in Section 17(e) hereof. Upon receipt of an opinion of nationally recognized bond counsel that the balance in the Rebate Account is in excess of the amount required by Subsection (a) of this Section 16 to be included therein, such excess shall be withdrawn from the Rebate Account and applied as set forth in Section 16 hereof.

Section 17. Payment of Principal and Interest. The Pledged Revenues shall be used in the following manner and order, provided that all payments of principal and interest on the Bonds and any Parity Lien Cultural Facilities Bonds required to be made pursuant to this Section 17 shall first be paid from the Cultural Facilities Sales and Use Tax Revenues. Anything in this Ordinance to the contrary notwithstanding, the Cultural Facilities Sales and Use Tax Revenues shall not be used to pay the 2008A Bonds, the 2017A Bonds, or any other Parity Lien Bonds that are not Parity Lien Cultural Facilities Bonds. So long as any Bonds shall be Outstanding, either as to principal or interest, the Pledged Revenues shall, upon receipt by the City, be applied as follows:

(a) Bond Account. First, there shall be credited from the Pledged Revenues to a special account hereby created, known as the “City of Lone Tree, Colorado, Sales and Use Tax Revenue Refunding Bonds (Cultural Facilities Projects), Series 2017B Bond Account,” from the Cultural Facilities Sales and Use Tax Revenues, and, if such revenues are insufficient, from General Sales and Use Tax Revenues, the following amounts:

(i) Interest Payments. Monthly, commencing on the first day of the first month following the date of delivery of any of the Bonds, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Bonds then Outstanding.

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

If prior to any interest payment date or principal payment date there has been accumulated in the Bond Account the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in paragraph (i) or (ii) (whichever is applicable) of this Section 17(a), may be appropriately reduced; but the required monthly amounts again shall be so credited to such account commencing on such interest payment date or principal payment date. The moneys in the Bond Account shall be used only to pay the principal of, prior redemption premium if any, and interest on the Bonds as the same becomes due.

Payments from the Cultural Facilities Sales and Use Tax Revenues with respect to the 2009 Bonds and any Parity Lien Cultural Facilities Bonds hereafter issued may be made to the similar bond account for such 2009 Bonds and any Parity Lien Cultural Facilities Bonds on a parity with the payments to the Bond Account set forth in paragraph (i) or (ii) of this Section 17(a) concurrently (but not necessarily simultaneously) with the payment for the Bonds.

Payments from the General Sales and Use Tax Revenues may be made to the similar bond account for the 2008A Bonds, 2009 Bonds, the 2017A Bonds, and any Parity Lien Bonds on a parity with the payments to the Bond Account set forth in paragraph (i) or (ii) of this Section 17(a) concurrently (but not necessarily simultaneously) with the payment for the Bonds.

(b) Reserve Account. Second, except as hereinafter provided, from any remaining Pledged Revenues there shall be credited monthly to a special account hereby created and known as the “City of Lone Tree, Colorado, Sales and Use Tax Revenue Refunding Bonds (Cultural Facilities Projects), Series 2017B Reserve Account” an amount, if any, which is necessary to maintain the Reserve Account as a continuing reserve in an amount not less than the Reserve Account Requirement or to pay the issuer of any Bond Reserve Insurance Policy any amounts owing to such issuer under the terms of the Bond Reserve Insurance Policy. At the time of issuance of the Bonds, no funds shall be required to be on deposit in the Reserve Account. No later than the last day of February in each year, the City Manager shall calculate the coverage of the Pledged Revenues received during the preceding Fiscal Year over the Maximum Annual Combined Debt Service Requirement. Such calculations shall be filed with the City Clerk promptly upon completion. In the event that, according to such calculation, the Pledged Revenues received in any Fiscal Year are less than three times the Maximum Annual Combined Debt Service Requirement, the City shall, immediately upon the filing thereof, commence funding the Reserve Account monthly so that no later than twenty-four (24) months after the date of such filing, the amount accumulated in the Reserve Account is equal to the Reserve Account Requirement. The City may cease funding the Reserve Account and will be entitled to withdraw any moneys deposited therein if the calculation performed in any future Fiscal Year shows three or more times coverage was in fact attained. In determining the amounts required to be deposited as provided in this Section 17(b), the City shall receive credit for any investment earnings on the deposit in the

Reserve Account. No credit need be made to the Reserve Account so long as the moneys and/or a Bond Reserve Insurance Policy therein equal the Reserve Account Requirement (regardless of the source of such accumulations). The Reserve Account Requirement shall be accumulated and maintained as a continuing reserve to be used, except as provided in subsections (c) and (e) of this Section 17 and Section 20 hereof, only to prevent deficiencies in the payment of the principal of and the interest on the Bonds resulting from the failure to credit to the Bond Account sufficient funds to pay said principal and interest as the same accrue or to pay the issuer of any Bond Reserve Insurance Policy any amounts owing to such issuer under the terms of the Bond Reserve Insurance Policy. The Reserve Account Requirement shall be calculated upon (i) any principal payment, whether at stated maturity or upon redemption, (ii) the issuance of Additional Obligations, (iii) the defeasance of all or a portion of the Bonds, or (iv) whenever the City is required to fund the Reserve Account pursuant to this Section 17(b).

In lieu of all or a portion of the moneys required to be deposited in the Reserve Account by this Ordinance, the City may at any time or from time to time deposit a Bond Reserve Insurance Policy in the Reserve Account in full or partial satisfaction of the Reserve Account Requirement. Any such Bond Reserve Insurance Policy shall be payable (or available to be drawn upon) on any date on which moneys will be required to be withdrawn from the Reserve Account as provided herein. Upon deposit of any Bond Reserve Insurance Policy in the Reserve Account, the City may transfer moneys equal to the amount payable under the Bond Reserve Insurance Policy from the Reserve Account and apply such moneys to any lawful purpose, subject to the provisions of Section 16 hereof.

(c) Termination of Deposits to Maturity or Redemption Date. No payment of Pledged Revenues need be made into the Bond Account or the Reserve Account if the amount in the Bond Account and the Reserve Account totals a sum at least equal to the entire amount of the Outstanding Bonds both as to principal and interest to their respective maturities, or to any redemption date on which the City shall have exercised its option to redeem the Bonds then Outstanding and thereafter maturing, including any prior redemption premiums then due, and both accrued and not accrued, in which case moneys in said accounts in an amount at least equal to such principal and interest requirements shall be used solely to pay such as the same accrue, and any moneys in excess thereof in said accounts may be withdrawn and used for any lawful purpose, subject to Section 16 hereof.

(d) Defraying Delinquencies in Bond and Reserve Accounts. If, five days before any interest payment date or principal payment date for the Bonds, there are insufficient funds on deposit in the Bond Account to pay the principal of and redemption premium, if any, and interest on the Bonds due on such date, then, to the extent of any amounts then in the Reserve Account, a sufficient amount shall be paid into the Bond Account on such date from the Reserve Account exclusively to make such payments on the Bonds. The money, if any, so used shall be replaced in the Reserve Account from the first Cultural Facilities Sales and Use Tax Revenues received that are not required to be otherwise applied by this Section 17, but excluding any payments required for any Subordinate Lien Cultural Facilities Bonds, on a parity basis with any similar deposits required for any Parity Lien Cultural Facilities Bonds; provided, however, that an amount equal to the amount withdrawn from the Reserve Account shall be deposited by the City into the Reserve Account no later than twelve months from the date of such withdrawal. If the Cultural Facilities Sales and Use Tax Revenues received are insufficient to make the deposits

set forth in the preceding sentence, the City shall make such deposits into the Reserve Account as are required to remedy such insufficiency from the first General Sales and Use Tax Revenues received that are not required to be otherwise applied by this Section 17, but excluding any payments required for any Subordinate Lien Bonds, on a parity basis with any similar deposits required for the 2008A Bonds, the 2009 Bonds, the 2017A Bonds and any Parity Lien Bonds.

The moneys in the Bond Account and the Reserve Account shall be used solely for the purpose of paying the principal of, any redemption premium, and the interest on the Bonds and to pay the issuer of any Bond Reserve Insurance Policy any amounts owing to such issuer under the terms of the Bond Reserve Insurance Policy; provided, however, that any moneys at any time in excess of the Reserve Account Requirement in the Reserve Account may be withdrawn therefrom and used for any lawful purpose, subject to the provisions of Section 16 hereof; and provided, further, that any moneys in the Bond Account and in the Reserve Account in excess of accrued and unaccrued principal and interest requirements to the respective maturities of the Outstanding Bonds may be used as provided in Subsection (c) of this Section 17.

(e) Rebate Account Payments. After making the payments set forth in Subsections (a), (b) and (d) of this Section 17, the City shall deposit any remaining Cultural Facilities Sales and Use Tax Revenues to the account created hereunder and designated the “City of Lone Tree, Colorado, Sales and Use Tax Revenue Refunding Bonds (Cultural Facilities Projects), Series 2017B, Rebate Account” (the “Rebate Account”) to the extent required under Section 148 of the Tax Code and the regulations promulgated thereunder and shall apply such funds to the extent necessary to comply with the City’s covenants under Section 16 hereof to make payments to the United States. Payments of Cultural Facilities Sales and Use Tax Revenues into similar rebate accounts for any Parity Lien Cultural Facilities Bonds shall be made concurrently (but not necessarily simultaneously) with payments of Cultural Facilities Sales and Use Tax Revenues into the Rebate Account. To the extent that the remaining Cultural Facilities Sales and Use Tax Revenues are insufficient to comply with the preceding sentence, General Sales and Use Tax Revenues shall be deposited, after making the payments required by Subsections (a), (b) and (d) of this Section 17, into the Rebate Account in the amount of such insufficiency. Payments of General Sales and Use Tax Revenues into similar rebate accounts for the 2008A Bonds, the 2009 Bonds, the 2017A Bonds and any Parity Lien Bonds shall be made concurrently (but not necessarily simultaneously) with payments of General Sales and Use Tax Revenues into the Rebate Account.

(f) Subordinate Lien Cultural Facilities Bonds and Subordinate Lien Bonds. After making the payments required by Subsections (a), (b), (d) and (e) of this Section 17, any remaining Cultural Facilities Sales and Use Tax Revenues shall be used for the payment of the principal of, premium, if any, and interest on any Subordinate Lien Cultural Facilities Bonds, and for any reserve fund which may be established as additional security for the payment of such Subordinate Lien Cultural Facilities Bonds. Nothing in this Ordinance shall prevent the establishment of priorities or parity relationships among Subordinate Lien Cultural Facilities Bonds, whether now existing or hereafter issued (including, without limitation, any subordination of existing Subordinate Lien Cultural Facilities Bonds to other Subordinate Lien Cultural Facilities Bonds hereafter issued).

After making the payments required by Subsections (a), (b), (d) and (e) of this Section 17, any remaining General Sales and Use Tax Revenues shall be used for the payment of the principal of, premium, if any, and interest on any Subordinate Lien Bonds, and for any reserve fund which may be established as additional security for the payment of such Subordinate Lien Bonds. Nothing in this Ordinance shall prevent the establishment of priorities or parity relationships among Subordinate Lien Bonds, whether now existing or hereafter issued (including, without limitation, any subordination of existing Subordinate Lien Bonds to other Subordinate Lien Bonds hereafter issued).

(g) Any Lawful Purpose. After compliance with Subsections (a) through (f), inclusive, of this Section 17, the remaining Pledged Revenues may be used for any lawful purpose, as the Council may direct, subject to the provisions of Section 16 hereof.

(h) General Administration of Funds and Accounts. The Bond Account, the Reserve Account and the Rebate Account shall be held in the custody of the City. Each periodic payment shall be credited to the proper fund or account not later than the date designated therefor, except that when any such date shall be a day which is not a Business Day, then such payment shall be made on or before the next succeeding Business Day. Monies in the Bond Account, the Reserve Account and the Rebate Account not immediately needed may be deposited or invested and reinvested by the City in deposits or investments which are at the time Permitted Investments, subject to Section 16 hereof. Securities or obligations purchased as an investment of monies in any such fund or account shall be deemed at all times to be a part of such fund or account, except to the extent otherwise provided herein. Interest and any profit realized from investments in the Bond Account shall be retained therein. Interest and any profit realized from investments in the Reserve Account shall be retained therein, unless the balance therein is equal to or greater than the Reserve Account Requirement, in which case such interest and profit may be withdrawn and used for any lawful purpose, subject to Section 16 hereof. Any loss resulting from investments in the Bond Account, or the Reserve Account shall be charged to each such fund or account, respectively. Interest and profit realized and any loss resulting from investments in the Rebate Account shall be credited or charged to such account. The monies in any fund or account herein provided for shall consist of lawful money of the United States or Permitted Investments or both such money and such Permitted Investments. Monies deposited in a demand or time deposit account in or evidenced by a certificate of deposit of a commercial bank, appropriately secured according to the laws of the State of Colorado, shall be deemed lawful money of the United States. Neither the City nor any officer or employee of the City shall be liable or responsible for any loss resulting from any investment or reinvestment made in accordance with this Ordinance.

Investments in the Reserve Account shall be valued annually, at the market value thereof, exclusive of accrued interest. Deficiencies in the amount on deposit in Reserve Account resulting from a decline in market value shall be restored no later than the succeeding valuation date. Investments purchased with funds on deposit in the Reserve Account shall have a term to maturity not greater than five years.

Section 18. Covenants of the City. The City hereby irrevocably covenants and agrees with each and every Owner of the Bonds that so long as any of the Bonds remain Outstanding:

(a) It will not amend or repeal any provision of the Code in any way that would materially adversely affect the amount of Pledged Revenues which would otherwise be collected. However, nothing herein shall prevent the City from amending the Code to permit sales or use tax credits to retailers or vendors in association with the collection by such retailers or vendors of a public improvement fee or similar fee or charge imposed by a covenant on the land on which the retailer or vendor conducts business in an amount equal to or greater than the amount of such sales or use tax credits to fund public improvements benefiting new retail development, the construction of which shall commence after the date hereof.

(b) It will administer, enforce, and collect, or cause to be administered, enforced, and collected, the sales and use tax authorized by the Code, and shall take such necessary action to collect delinquent payments as shall be authorized by the Code and in accordance with law.

(c) It will keep books and records showing the Pledged Revenues received, in which complete entries shall be made in accordance with standard principles of accounting, and any Owner of any of the Bonds shall have the right at all reasonable times to inspect the records and accounts relating to the collection and receipt of such Pledged Revenues.

(d) It will, at least once a year, cause an audit to be performed of the records relating to the collection and receipt of the Pledged Revenues (which may be performed as a part of the City's general annual audit), and upon request, make available at cost the report of the auditor or accountant to any Owner of any of the Bonds, and shall mail a copy of such audit report to the Bond Insurer and the Purchaser. Such audit may be made part of and included within the general audit of the City, and made at the same time as the general audit.

(e) It will comply with the terms of the Continuing Disclosure Certificate.

(f) It will not amend the Sales Tax Sharing Agreements to increase the amount which the City is obligated to pay under the Sales Tax Sharing Agreements.

Section 19. Additional Obligations.

(a) Additional Obligations Payable solely from General Sales and Use Tax Revenues:

(i) No bonds, notes, certificates, contracts, or other similar obligations shall be issued payable from the General Sales and Use Tax Revenues and having a lien thereon which is prior or superior to the lien of the Bonds.

(ii) Nothing in this Ordinance shall be construed in such manner as to prevent the issuance of Parity Lien Bonds by the City; provided that: (1) the City is current in the payment of principal and interest on the Bonds, the 2008A Bonds, the 2009 Bonds, the

2017A Bonds, and any Parity Lien Bonds and in the accumulation of any required amounts in the Reserve Account and the similar reserve accounts for the Bonds, the 2008A Bonds, the 2009 Bonds, the 2017A Bonds, and any Parity Lien Bonds; (2) no Event of Default has occurred and is continuing; and (3) the General Sales and Use Tax Revenues collected or received by the City in the last preceding Fiscal Year are sufficient to cover two times the Maximum Annual Debt Service Requirement. In determining the Maximum Annual Debt Service Requirement as described above, there shall be included the maximum amount of all required payments of principal and interest on the proposed Parity Lien Bonds which will become due in any Fiscal Year, and mandatory sinking fund redemption installments shall be treated as serial principal maturities. In the event that the municipal sales and use tax has been increased during the preceding or current Fiscal Year and if such increase is pledged to pay the proposed Parity Lien Bonds, then the General Sales and Use Tax Revenues for the last preceding Fiscal Year may be adjusted by applying the new percentage to the amount of sales and use taxes actually collected during such prior Fiscal Year, for the purpose of determining compliance with clause (3) of this Subsection.

(iii) If at any time after the Bonds, or any part thereof, shall have been issued and remain Outstanding, the City shall find it desirable to refund any Outstanding obligations payable from the General Sales and Use Tax Revenues, said obligations, or any part thereof, may be refunded, subject to the following provisions. Any refunding obligations payable in whole or in part from the General Sales and Use Tax Revenues shall be issued with such details as the Council may provide, so long as there is no impairment of any contractual obligations imposed upon the City; but if only a part of the Outstanding obligations payable from the General Sales and Use Tax Revenues is refunded, then such securities may not be refunded without the consent of the Owner or Owners of the unrefunded portion of such obligations unless:

(1) the refunding obligations do not increase, for any Fiscal Year in which any Bonds will be Outstanding, the aggregate principal and interest requirements evidenced by such refunding obligations and by the Outstanding obligations payable from the General Sales and Use Tax Revenues and not refunded, and the lien of the refunding obligations on the General Sales and Use Tax Revenues is not raised to a higher priority than the lien thereon of the obligations thereby refunded; or

(2) the lien on the General Sales and Use Tax Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any Bonds not refunded; or

(3) the refunding obligations are issued in compliance with paragraph (iii) of this Section 19(a).

(iv) Nothing herein shall prevent the City from issuing Subordinate Lien Bonds.

(b) Additional Obligations Payable solely from Cultural Facilities Sales and Use Tax Revenues but not General Sales and Use Tax Revenues:

(i) No bonds, notes, certificates, contracts, or other similar obligations shall be issued payable in whole or in part from Cultural Facilities Sales and Use Tax

Revenues but not General Sales and Use Tax Revenues and having a lien thereon which is prior or superior to the lien of the Bonds.

(ii) Nothing in this Ordinance shall be construed in such manner as to prevent the issuance of Parity Lien Cultural Facilities Bonds by the City payable in whole or in part from Cultural Facilities Sales and Use Tax Revenues but not General Sales and Use Tax Revenues; provided that: (1) the City is current in the payment of principal and interest on the Bonds, the 2009 Bonds and any Parity Lien Cultural Facilities Bonds and in the accumulation of any required amounts in the Reserve Account and the similar reserve accounts for the Bonds, the 2009 Bonds and any Parity Lien Cultural Facilities Bonds; (2) no Event of Default has occurred and is continuing; and (3) the Cultural Facilities Sales and Use Tax Revenues collected or received by the City in the last preceding Fiscal Year are sufficient to cover two times the Maximum Annual Cultural Facilities Debt Service Requirement. In determining the Maximum Annual Cultural Facilities Debt Service Requirement as described above, there shall be included the maximum amount of all required payments of principal and interest on the proposed Parity Lien Cultural Facilities Bonds which will become due in any Fiscal Year, and mandatory sinking fund redemption installments shall be treated as serial principal maturities. In the event that the City's cultural facilities sales and use tax has been increased during the preceding or current Fiscal Year and if such increase is pledged to pay the proposed Parity Lien Cultural Facilities Bonds, then the Cultural Facilities Sales and Use Tax Revenues for the last preceding Fiscal Year may be adjusted by applying the new percentage to the amount of cultural facilities sales and use taxes actually collected during such prior Fiscal Year, for the purpose of determining compliance with clause (3) of this Subsection.

(iii) If at any time after the Bonds, or any part thereof, shall have been issued and remain Outstanding, the City shall find it desirable to refund any Outstanding obligations payable in whole or in part from Cultural Facilities Sales and Use Tax Revenues but not General Sales and Use Tax Revenues, said obligations, or any part thereof, may be refunded, subject to the following provisions. Any refunding obligations payable in whole or in part from Cultural Facilities Sales and Use Tax Revenues but not General Sales and Use Tax Revenues shall be issued with such details as the Council may provide, so long as there is no impairment of any contractual obligations imposed upon the City; but if only a part of the Outstanding obligations payable in whole or in part from Cultural Facilities Sales and Use Tax Revenues but not General Sales and Use Tax Revenues is refunded, then such securities may not be refunded without the consent of the Owner or Owners of the unrefunded portion of such obligations unless:

(1) the refunding obligations do not increase, for any Fiscal Year in which any Bonds will be Outstanding, the aggregate principal and interest requirements evidenced by such refunding obligations and by the Outstanding obligations payable in whole or in part from Cultural Facilities Sales and Use Tax Revenues but not General Sales and Use Tax Revenues and not refunded, and the lien of the refunding obligations on the Cultural Facilities Sales and Use Tax Revenues is not raised to a higher priority than the lien thereon of the obligations thereby refunded; or

(2) the lien on the Cultural Facilities Sales and Use Tax Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any Bonds not refunded; or

(3) the refunding obligations are issued in compliance with paragraph (ii) of this Section 19(b).

(iv) Nothing herein shall prevent the City from issuing Subordinate Lien Cultural Facilities Bonds.

(c) Additional Obligations Payable from Pledged Revenues:

(i) No bonds, notes, certificates, contracts, or other similar obligations shall be issued payable from the Pledged Revenues and having a lien thereon which is prior or superior to the lien of the Bonds.

(ii) Nothing in this Ordinance shall be construed in such manner as to prevent the issuance by the City of obligation that constitute both Parity Lien Cultural Facilities Bonds and Parity Lien Bonds and are payable from Pledged Revenues; provided that: (1) the City is current in the payment of principal and interest on the Bonds, the 2008A Bonds, the 2009 Bonds, the 2017A Bonds, and any Parity Lien Bonds, and any Parity Lien Cultural Facilities Bonds, and in the accumulation of any required amounts in the Reserve Account and the similar reserve accounts for the 2008A Bonds, the 2009 Bonds, the 2017A Bonds, and any Parity Lien Bonds, and any Parity Lien Cultural Facilities Bonds; (2) no Event of Default has occurred and is continuing; and (3) the Pledged Revenues collected or received by the City in the last preceding Fiscal Year are sufficient to cover two times the Maximum Annual Combined Debt Service Requirement. As used in the preceding sentence, "Pledged Revenues" shall include any adjustments to the General Sales and Use Tax Revenues authorized by Section 19(a)(iii) and any adjustments to the Cultural Facilities Sales and Use Tax Revenues authorized by Section 19(b)(ii). In determining the Maximum Annual Combined Debt Service Requirement as described above, there shall be included therein the maximum amount of all required payments of principal and interest on the proposed obligations which will become due in any Fiscal Year, and mandatory sinking fund redemption installments shall be treated as serial principal maturities.

(iii) If at any time after the Bonds, or any part thereof, shall have been issued and remain Outstanding, the City shall find it desirable to refund any Outstanding obligations payable from the Pledged Revenues, said obligations, or any part thereof, may be refunded, subject to the following provisions. Any refunding obligations payable in whole or in part from the Pledged Revenues shall be issued with such details as the Council may provide, so long as there is no impairment of any contractual obligations imposed upon the City; but if only a part of the Outstanding obligations payable from the Pledged Revenues is refunded, then such securities may not be refunded without the consent of the Owner or Owners of the unrefunded portion of such obligations unless:

(1) the refunding obligations do not increase, for any Fiscal Year in which any Bonds will be Outstanding, the aggregate principal and interest requirements evidenced by such refunding obligations and by the Outstanding obligations payable from the Pledged Revenues and not refunded, and the lien of the refunding obligations on the Pledged Revenues is not raised to a higher priority than the lien thereon of the obligations thereby refunded; or

(2) the lien on the Pledged Revenues for the payment of the refunding obligations is subordinate to each such lien for the payment of any Bonds not refunded; or

(3) the refunding obligations are issued in compliance with paragraph (ii) of this Section 19(c).

(iv) Nothing herein shall prevent the City from issuing Subordinate Lien Bonds or Subordinate Lien Cultural Facilities Bonds.

(d) For purposes of this Section 19, variable rate Additional Obligations issued pursuant hereto shall be assumed to bear interest at the highest of: (i) the actual rate on the date of calculation, or if the indebtedness is not yet Outstanding, the initial rate (if established and binding); (ii) if the indebtedness has been Outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation; and (iii) (1) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Tax Code, the most recently published Bond Buyer 25 Bond Revenue Index (or comparable index if no longer published) plus fifty (50) basis points, or (2) if interest is not so excludable, the interest rate on direct U.S. Treasury obligations with comparable maturities plus fifty (50) basis points. Notwithstanding the foregoing, for purposes of any rate covenant measuring actual debt service coverage during a test period, variable rate indebtedness shall be deemed to bear interest at the actual rate per annum applicable during the test period.

Section 20. Defeasance. When all principal of, prior redemption premium, if any, and interest on the Bonds have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the Bonds shall no longer be deemed to be Outstanding within the meaning of this Ordinance. Such due payment of any Bond shall be deemed made when the City has placed in escrow and in trust with a commercial bank located within or without the State of Colorado, and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal, prior redemption premium, if any, and interest on such Bond as the same become due to their final maturity or designated prior redemption date, and if any Bond is to be redeemed prior to maturity pursuant to Section 7(a) hereof, when the City has given to the Registrar irrevocable written instructions to give notice of prior redemption in accordance with Section 7(c) hereof. The Federal Securities shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and such bank at the time of the creation of the escrow and shall not be callable prior to their scheduled maturities by the issuer thereof. The investment of the amounts deposited in the escrow shall comply with Section 16 hereof.

In the event that there is a defeasance of only part of the Bonds of any maturity, the Bond Registrar shall, if requested by the City, institute a system to preserve the identity of the individual Bonds or portions thereof so defeased, regardless of changes in Bond numbers attributable to transfers and exchanges of Bonds; and the Bond Registrar shall be entitled to reasonable compensation and reimbursement of expenses from the City in connection with such system.

Section 21. Amendment.

(a) The City may, without the consent of, or notice to the Owners of the Bonds, but with the prior written consent of the Bond Insurer, so long as the Bond Insurer is not in default of its payment obligations under the Bond Insurance Policy, adopt such ordinances supplemental hereto (which supplemental amendments shall thereafter form a part hereof) for any one or more or all of the following purposes:

(i) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in this Ordinance, or to make any provisions with respect to matters arising under this Ordinance or for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Bonds;

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

(iii) to grant or confer upon the Paying Agent or Registrar for the benefit of the Owners of the Bonds any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners of the Bonds; or

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

(b) Exclusive of the amendatory ordinances permitted by paragraph (a) of this Section, this Ordinance may be amended or supplemented by ordinance adopted by the Council in accordance with the law, without receipt by the City of any additional consideration but with the prior written consent of the Owners of at least 66% in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory or supplemental ordinance.

(c) Notwithstanding Subsections (a) and (b) above, written consent of the Owners of all of the Bonds adversely affected thereby is required for any Ordinance that shall have the effect of permitting:

(i) An extension of the maturity of any of the Bonds authorized by this Ordinance; or

(ii) A reduction in the principal amount of any of the Bonds, the rate of interest thereon, or the prior redemption premium thereon; or

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

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

(v) The establishment of priorities as between outstanding Bonds, 2008A Bonds, and any Parity Lien Bonds with respect to the General Sales and Use Tax

Revenues, the establishment of priorities as between outstanding Bonds and any Parity Lien Cultural Facilities Bonds with respect to the Cultural Facilities Sales and Use Tax Revenues or the establishment of priorities as between Bonds issued and Outstanding under the provisions of this Ordinance; or

(vi) The modification of or otherwise affecting the rights of the Owners of less than all of the Bonds then outstanding.

Copies of any waiver, modification or amendment to this Ordinance shall be delivered to any entity then maintaining a rating on the Bonds at least 15 days prior to its execution or adoption.

Section 22. Events of Default. It is an Event of Default if:

(a) Payment of the principal of or premium due on any Bond is not made by the City when due at maturity or upon prior redemption;

(b) Payment of the interest on any Bond is not made by the City when due; or

(c) The City defaults in the punctual performance of its covenants hereunder for sixty (60) days after written notice shall have been given by the Owners of not less than 25% of the outstanding principal amount of the Bonds; provided that failure by the City to comply with the covenant set forth in Section 18(e) of this Ordinance shall not constitute an Event of Default hereunder.

(d) An event of default shall have occurred and be continuing under the provisions of the Insurance Agreement.

Section 23. Remedies. Upon the happening of any Event of Default, any Owner, or a trustee therefor, may protect and enforce the rights of such Owner by proper legal or equitable remedy deemed most effectual including mandamus, specific performance of any covenants, the appointment of a receiver (the consent to such appointment being hereby granted), injunctive relief, or requiring the Council to act as if it were the trust of an express trust, or any combination of such remedies. All proceedings shall be maintained for the benefit of the Owners; provided however, that any action brought pursuant to an Event of Default under Section 22(c) hereof may be brought only upon the written consent of the Owner or Owners of not less than 25% of the outstanding principal amount of the Bonds. All proceedings shall be maintained for the equal benefit and protection of all Owners. The failure of any Owner to proceed does not relieve the City or any person of any liability for failure to perform any duty hereunder. The foregoing rights are in addition to any other right which may exist under applicable law, and the exercise of any right by any Owner shall not be deemed a waiver of any other right. If any remedial action is discontinued, the Owners shall be restored to their positions prior to taking such action.

Section 24. Insurer To Be Deemed Owner, Rights of the Insurer, Payments by the Insurer.

(a) Notwithstanding any provision of this ordinance to the contrary, so long as the Bond Insurer is not in default in its payment obligations under the Bond Insurance Policy, the Bond Insurer shall at all times be deemed the sole and exclusive Owner of the Outstanding Bonds for the purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies pursuant to this ordinance, including but not limited to approval of or consent to any amendment of or supplement to this Ordinance which requires the consent or approval of the Owners of 66% in aggregate principal amount of the Bonds then Outstanding pursuant to this Ordinance; provided, however, that the Bond Insurer shall not be deemed to be the sole and exclusive Owner of the Outstanding Bonds with respect to any amendment or supplement to this Ordinance which seeks to amend or supplement this Ordinance for the purposes set forth in Section 21(c) hereof.

(b) Notwithstanding any other provision of this Ordinance, any rights granted to or conferred upon the Bond Insurer hereunder shall be in effect only so long as the Bond Insurer is not in default in its payment obligation under the Bond Insurance Policy, and upon any such default by the Bond Insurer, its rights hereunder shall be suspended (except to the extent of subrogation for any payments under the Bond Insurance Policy theretofore made by the Bond Insurer); provided, however, that such rights shall be reinstated when the Bond Insurer has cured such default under the Bond Insurance Policy.

(c) To the extent that the Bond Insurer makes payment of any principal of or interest on a Bond, it shall be fully subrogated to all of the Owner's rights thereunder in accordance with the terms of the Bond Insurance Policy to the extent of such payment, including the Owner's rights to payment thereof.

(d) In the event that the principal of or interest on a Bond shall be paid by the Bond Insurer pursuant to the terms of the Bond Insurance Policy (i) such Bond shall continue to be "Outstanding" under this Ordinance, and (ii) the Bond Insurer shall be fully subrogated to all of the rights of the Owner thereof in accordance with the terms and conditions of subsection (b) of this Section and the Bond Insurance Policy.

(e) This Ordinance shall not be discharged unless and until all amounts due to the Bond Insurer have been paid in full or duly provided for.

(f) So long as the Bond Insurance Policy shall be in full force and effect, the City and the Paying Agent hereby agree to comply with the provisions of this Section.

(g) The Bond Insurer is a third-party beneficiary of this Ordinance.

Section 25. Delegated Powers; Authorization to Execute Collateral Documents. The officers of the City and the members of the Council be, and hereby are, 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: the execution and delivery of the Purchase Contract, the Registrar Agreement, the Continuing Disclosure Certificate, the printing of the Bonds; the procuring of municipal bond insurance or financial guaranty

insurance, if in the best interests of the City; entering into and executing appropriate agreements with The Depository Trust Company as to its services hereunder; the printing, distribution and execution of the Official Statement for the Bonds in substantially the form of the Preliminary Official Statement now before the Council, but with such amendments, additions and deletions as are in accordance with facts and not inconsistent herewith; and the execution of such certificates as may be required by the Purchaser, including, but not limited to, the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes. The execution of any instrument by the aforementioned officers or members of the Council shall be conclusive evidence of the approval by the City of such instrument in accordance with the terms hereof and thereof.

The form, terms and provisions of the Purchase Contract, the Registrar Agreement and the Continuing Disclosure Certificate, and the Escrow Agreement are hereby approved, and the City shall enter into and perform its obligations under the Purchase Contract, the Registrar Agreement, the Continuing Disclosure Certificate and the Escrow Agreement, in the forms of such documents presented to the Council at this meeting, with only such changes therein as are required by the circumstances and are not inconsistent herewith.

The Mayor or the City Manager are hereby independently authorized to make the final pricing determinations as authorized in Section 5 hereof subject to the parameters set forth herein and execute the Purchase Contract and Sale Certificate relating to same. Additionally, the Mayor or the City Manager are independently authorized to execute and deliver any documents necessary to obtain a municipal bond insurance policy or a financial guaranty insurance policy to secure the payment of the principal of and interest on the Bonds or a Bond Reserve Insurance Policy to fund the Reserve Account Requirement.

Section 26. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds, including without limitation the underwriter's discount and all expenses related to issuing the Bonds, shall be paid either from the proceeds of the Bonds or from legally available moneys of the City, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 27. Acceptance of Purchase Contract. The Council hereby accepts the Purchase Contract as submitted by the Purchaser, and hereby authorizes the sale of the Bonds to the Purchaser upon the terms, conditions, and provisions as set forth in the Purchase Contract. The Council hereby determines that the sale of the Bonds as provided herein and in the Purchase Contract is to the best advantage of the City.

Section 28. Authorization to Execute Collateral Documents. The officers of the City and members of the Council are authorized and directed to take any and all other actions necessary or appropriate to effectuate the provisions of this Ordinance, including but not limited to, obtaining ratings on the bonds, obtaining bond insurance, if any, and executing the Escrow Agreement, the Registrar Agreement, the Continuing Disclosure Certificate, and such certificates and affidavits as may be reasonably required by the Purchaser. 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 and deletions therefrom and additions thereto as may be approved by bond counsel prior to the execution of the documents.

Section 29. Approval of Official Statement. The Council hereby approves the Preliminary Official Statement, in the form presented at this meeting. The Council hereby authorizes and directs the City Manager to approve on behalf of the City a final Official Statement containing any updated information regarding items described in the Preliminary Official Statement which become known to the City prior to the date of delivery of the Bonds. Copies of said Preliminary Official Statement and final Official Statement are hereby authorized to be distributed by the Purchaser to all interested persons in connection with the sale of the Bonds. The Preliminary Official Statement is hereby deemed to be final as of its date within the meaning of Rule 15c2-12(b)(I) of the U.S. Securities and Exchange Commission. The execution of a final Official Statement by an officer of the City shall be conclusively deemed to evidence the approval of the form and contents thereof by the City.

Section 30. No Recourse Against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the 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 on the Bonds. Such recourse shall not be available either directly or indirectly through the Council or the City, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 31. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the City in connection with the authorization or issuance of the Bonds, including but not limited to the adoption of this Ordinance, shall be commenced more than thirty days after the authorization of the Bonds.

Section 32. Ratification and Approval of Prior Action. All actions heretofore taken by the officers of the City and members of the Council, not inconsistent with the provisions of this Ordinance, relating to the authorization, sale, issuance, and delivery of the Bonds, and the qualification of the Bonds for book-entry with The Depository Trust Company, are hereby ratified, approved, and confirmed.

Section 33. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any Person, other than the City, the Bond Insurer, the Registrar, the Paying Agent, and the Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Bond Insurer, the Registrar, the Paying Agent, and the Owners of the Bonds.

Section 34. Severability. If any section, paragraph, clause, or provision of this Ordinance 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 Ordinance, the intent being that the same are severable.

Section 35. Repealer. All orders, resolutions, bylaws, ordinances or regulations of the City, or parts thereof, inconsistent with this Ordinance are hereby repealed to the extent only of such inconsistency.

Section 36. Ordinance Irrepealable. After the Bonds are issued, this Ordinance shall constitute an irrevocable contract between the City and the Owners of the Bonds, and shall be and remain irrepealable until the Bonds and the interest thereon shall have been fully paid, satisfied, and discharged. No provisions of any constitution, statute, charter, ordinance, resolution or other measure enacted after the issuance of the Bonds shall in any manner be construed as impairing the obligations of the City to keep and perform the covenants contained in this Ordinance.

Section 37. Holidays. If the date for making any payment or the last date for performing any act or exercising any right, as provided in this Ordinance, shall be a legal holiday or a non-Business Day, such payment may be made, 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 Ordinance, and no interest shall accrue for the period after such nominal date.

Section 38. Recording, Authentication and Publication. This Ordinance shall be published after first reading in the *Douglas County News Press*, a newspaper of general circulation in the City, with a notation that the Ordinance and any changes hereto shall be considered at a second meeting to be held on December 6, 2016, which date is not less than 14 days after first reading. If this Ordinance is revised upon second reading, such revisions will be published after second reading.

Section 39. Effectiveness. In accordance with Article V, Section 7, of the Charter, this Ordinance shall take effect upon the earlier of 30 days following publication after first reading if no changes are made at second reading, or 20 days after publication following second reading if changes are made upon second reading.

Section 40. Statutes Superseded. Pursuant to Article XX of the Colorado Constitution and the Charter, all statutes of the State of Colorado which might otherwise apply in connection with the City's sales and use tax or the Bonds are hereby superseded to the extent they conflict expressly or impliedly with the provisions of this Ordinance or the Bonds.

[Remainder of this page left intentionally blank]

INTRODUCED, READ AND ORDERED PUBLISHED ON NOVEMBER 15, 2016.

PUBLISHED IN THE DOUGLAS COUNTY NEWS PRESS ON NOVEMBER 24, 2016
LEGAL NOTICE NO. 930279.

APPROVED AND ADOPTED WITH[WITHOUT] CHANGES ON SECOND READING THIS
6TH DAY OF DECEMBER, 2016 [AND ORDERED REPUBLISHED].

PUBLISHED WITH CHANGES IN THE DOUGLAS COUNTY *NEWS PRESS* ON _____
____, 2016 LEGAL NOTICE NO. W16-____, TO BECOME EFFECTIVE ON JANUARY
____, 2017.

CITY OF LONE TREE, COLORADO

(SEAL)

Jacqueline A. Millet, Mayor

ATTEST:

Jennifer Pettinger, CMC, City Clerk

STATE OF COLORADO)
)
 COUNTY OF DOUGLAS) SS.
)
 CITY OF LONE TREE)

I, Jennifer Pettinger, City Clerk of the City of Lone Tree, Colorado (the “City”), do hereby certify:

1. The foregoing is a true and correct copy of an ordinance (the “Ordinance”) introduced on first reading at the regular meeting of the City Council of the City (“Council”) on November 15, 2016, and approved and adopted on second reading by the Council at the regular meeting of the Council on December 6, 2016. A quorum of the Council was in attendance at each meeting.

2. The members of the City Council voted on approval and adoption of the Ordinance on second reading on November 15, 2016, as follows:

Name	“Yes”	“No”	Absent	Abstain
Jacqueline A. Millet, Mayor				
Susan Squyer, Mayor Pro-Tem				
Cathie Brunnick				
Jay Carpenter				
Wynne Shaw				

3. The Ordinance was approved and authenticated by the signature of the Mayor, sealed with the City seal, attested by the Clerk and recorded in the minutes of the Council.

4. The Ordinance was published and posted pursuant to the provisions of the Charter of the City. Attached hereto as Exhibit A are affidavits of publication for each publication of the Ordinance required by the Charter.

5. Attached here as Exhibit B are copies of the notices of the meetings as posted at least 24 hours prior to the meeting.

IN WITNESS WHEREOF, I have hereto set my hand and the seal of the City this ____ day of December, 2016.

(SEAL)

 City Clerk

EXHIBIT A

(Attach Affidavits of Publication)

EXHIBIT B

(Attach Notices of Meetings)



CITY OF LONE TREE

STAFF REPORT

TO: Mayor Millet and City Council

FROM: Kristin Baumgartner, Finance Director

FOR: December 6, 2016 Council Meeting

DATE: November 30, 2016

**SUBJECT: Resolution, 16-26, ADOPTING THE 2017 GENERAL FUND,
DEBT SERVICE FUNDS AND SPECIAL REVENUE FUND
BUDGETS**

Summary

Attached is the 2017 City budget presented for adoption. The only adjustment that has been made from the prior version presented at the public hearing is that the Pedestrian Bridge budget amount was updated between 2016 and 2017 to show the land purchase being completed in 2016. It was originally estimated that would occur in 2017, so the 2017 amount was lowered to reflect the purchase occurring in 2016. No other changes were made from the version presented at the public hearing.

Cost

N/A

Suggested Motion or Recommended Action

I move to approve Resolution 16-26, Adopting the 2017 General Fund, Debt Service Funds and Special Revenue Fund Budgets.

CERTIFIED RECORD
OF
PROCEEDINGS RELATING TO
CITY OF LONE TREE
DOUGLAS COUNTY, COLORADO
AND THE BUDGET HEARING
FOR FISCAL YEAR
2017

STATE OF COLORADO)
)
COUNTY OF DOUGLAS)ss.
)
CITY OF LONE TREE)

The City Council of the City of Lone Tree, Douglas County, Colorado, held a meeting at 8527 Lone Tree Parkway, Lone Tree, Colorado, on December 6, 2016 at 7:00 p.m.

The following members of the City Council were present:

Jacqueline Millet, Mayor
Susan Squyer, Mayor Pro Tem
Cathie Brunnick, Council Member
Jay Carpenter, Council Member
Wynne Shaw, Council Member

Also in attendance were:

Seth Hoffman, City Manager
Neil Rutledge, City Attorney
Kristin Baumgartner, CPA, Finance Director
Jennifer Pettinger, CMC, City Clerk

Mayor Millet stated that proper publication was made to conduct a public hearing on the 2017 budget for the City of Lone Tree on November 15, 2016. Mayor Millet opened the public hearing on the proposed 2017 budget for the City of Lone Tree. There was no public comment on the proposed budget for the City of Lone Tree, the public hearing was closed. Final adoption of the budget occurred at the regularly scheduled Council meeting on December 6, 2016 at 7:00 p.m.

Thereupon, Council Member _____ introduced and moved the adoption of the following Resolution:

**CITY OF LONE TREE
RESOLUTION NO. 16-26**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURE FOR THE GENERAL FUND, SPECIAL REVENUE FUND/CULTURAL AND COMMUNITY SERVICES, DEBT SERVICE FUND/ARTS AND CULTURAL FACILITIES, AND DEBT SERVICE FUND/PARK AND RECREATION IMPROVEMENTS, ADOPTING A BUDGET, AND APPROPRIATING SUMS OF MONEY TO THE GENERAL FUND, SPECIAL REVENUE FUND/CULTURAL AND COMMUNITY SERVICES, DEBT SERVICE FUND/ARTS AND CULTURAL FACILITIES, AND DEBT SERVICE FUND/PARK AND RECREATION IMPROVEMENTS IN THE AMOUNT AND FOR THE PURPOSES SET FORTH HEREIN FOR THE CITY OF LONE TREE, DOUGLAS COUNTY, COLORADO, FOR THE 2017 FISCAL YEAR ENDING ON THE LAST DAY OF DECEMBER, 2017.

WHEREAS, the City Council of the City of Lone Tree has authorized its City Treasurer to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the City Council for its consideration; and

WHEREAS, pursuant to Colorado statute, upon due and proper notice published on October 27, 2016 in the Douglas County News Press (legal notice #929999), a newspaper having general circulation within the boundaries of the City of Lone Tree, said proposed budget was available for inspection by the public at the Lone Tree Administrative Office and the City's website, a public hearing was held on November 15, 2016, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LONE TREE, DOUGLAS COUNTY, COLORADO:

Section 1. 2017 Budget Revenues. That the estimated revenues for the General Fund, Special Revenue Fund/Cultural and Community Services, Debt Service Fund/Arts and Cultural Facilities, Debt Service Fund/Park and Recreation Improvements as more specifically set out in the budget attached hereto are accepted and approved.

Section 2. 2017 Budget Expenditures. That the estimated expenditures for the General Fund, Special Revenue Fund/Cultural and Community Services, Debt Service Fund/Arts and Cultural Facilities and Debt Service Fund/Park and Recreation Improvements as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Adoption of Budget for 2017. That the budget as submitted and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the City of Lone Tree for calendar year 2017.

Section 4. Levy of General Property Taxes. No mill levy will be certified by the City of Lone Tree for collection in 2017 and the attached budget does not anticipate general property tax revenues to balance the budget.

Section 5. Amendment One Limits. That, to the best of its knowledge and information, the Council states that the foregoing budget does not result in a violation of any provision of Article X, Section 20, of the Colorado Constitution.

Section 6. Appropriations. That the amount of \$67,375,474 set forth as total expenditures in the budget attached hereto is hereby appropriated as follows from the General Fund, \$48,855,531, the Special Revenue Fund/Cultural and Community Services, \$3,248,943 the Debt Service Fund/Arts and Cultural Facilities, \$8,600,000 and the Debt Service Fund/Park and Recreation Improvements, \$6,671,000 for the budgeted expenditures.

The foregoing Resolution was seconded by Council Member _____.

APPROVED AND ADOPTED this 6th day of December, 2016

Jacqueline A. Millet, Mayor

ATTEST:

Jennifer Pettinger, CMC, City Clerk

STATE OF COLORADO)
)
COUNTY OF DOUGLAS)ss.
)
CITY OF LONE TREE)

I, Jennifer Pettinger, City Clerk of the City of Lone Tree, Douglas County, Colorado, do hereby certify that the foregoing pages numbered 1 to 4, inclusive, constitute a true and correct copy of the record of proceedings of the City Council of the City of Lone Tree, adopted at a meeting of the Council held on December 6, 2016, at 7:00 p.m., at 8527 Lone Tree Parkway, Lone Tree, Colorado, as recorded in the official record of the proceedings of the City of Lone Tree, insofar as said proceedings relate to the budget hearing for fiscal year 2017; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown. Further, I hereby certify that the attached budget is a true and accurate copy of the 2017 budget of the City.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the City of Lone Tree this 6th day of December, 2016.

(S E A L)

Jennifer Pettinger, CMC, City Clerk

**CITY OF LONE TREE
SUMMARY
FORECASTED 2017 BUDGET AS ADOPTED
WITH 2015 ACTUALS AND 2016 ESTIMATED**

	2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
BEGINNING FUND BALANCES	\$ 19,362,787	\$ 24,174,529	\$ 26,348,382
REVENUE			
TAXES	27,408,021	26,444,500	26,728,000
FRANCHISE FEES	1,040,429	1,021,000	1,027,000
INTERGOVERNMENTAL	7,073,987	15,490,186	13,747,381
LICENSES, FEES AND CHARGES	1,430,134	1,130,500	1,188,000
FINES AND FORFEITURES	691,943	706,000	720,000
ARTS CENTER	1,747,181	1,617,680	2,299,926
OTHER	1,390,963	1,106,500	13,113,542
Total revenue	<u>\$40,782,658</u>	<u>47,516,366</u>	<u>58,823,849</u>
TRANSFERS IN			
General Fund	148,206	350,000	-
Special Revenue Fund - Arts Center	797,300	960,843	949,017
Total transfers in	<u>945,506</u>	<u>1,310,843</u>	<u>949,017</u>
Total funds available	<u>61,090,951</u>	<u>73,001,738</u>	<u>86,121,247</u>
EXPENDITURES			
GENERAL GOVERNMENT	4,706,785	5,193,122	6,164,353
MUNICIPAL COURT	192,197	213,614	283,830
COMMUNITY DEVELOPMENT	1,020,830	1,223,091	1,134,893
POLICE DEPARTMENT	6,697,266	7,071,858	7,556,676
PUBLIC WORKS	4,473,031	4,506,772	4,737,000
ARTS AND CULTURAL	2,700,441	2,978,523	3,640,943
PARKS AND RECREATION	28,802	-	450,000
CAPITAL OUTLAY	13,654,695	21,594,702	27,187,762
DEBT SERVICE	2,496,869	2,560,831	15,271,000
Total expenditures	<u>35,970,916</u>	<u>45,342,513</u>	<u>66,426,457</u>
TRANSFERS OUT			
General Fund	797,300	960,843	949,017
Special Revenue Fund - RidgeGate	52,601	-	-
Debt Service Fund - Arts and Cultural Facilities	95,605	350,000	-
Total transfers out	<u>945,506</u>	<u>1,310,843</u>	<u>949,017</u>
Total appropriation	<u>36,916,422</u>	<u>46,653,356</u>	<u>67,375,474</u>
ENDING FUND BALANCES	<u>\$ 24,174,529</u>	<u>\$ 26,348,382</u>	<u>\$ 18,745,774</u>

**CITY OF LONE TREE
SUMMARY
FORECASTED 2017 BUDGET AS ADOPTED
WITH 2015 ACTUALS AND 2016 ESTIMATED**

2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
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FUNDS RESERVED FOR:

Emergency reserves (TABOR)	989,906	962,000	954,000
Emergency maintenance and repair	52,601	52,601	52,601
Prepaid items	380,189	400,000	400,000
Emergency disaster management	108,077	130,385	130,385
Bond proceeds - Park and Rec Improvements	935,824	56,167	-
Park fee in lieu of land	93,394	129,394	29,394
Conservation Trust Fund	233,685	303,685	17,685
Brick fence replacement reserve	986,200	986,200	986,200
Lone Tree Link Shuttle	484,775	350,975	190,975
Light Rail	1,730,000	5,445,000	5,445,000
Debt Service - Arts and Cultural Facilities	1,059,919	1,092,140	1,437,064
Debt Service - Park and Recreation Improvements	1,043,760	1,238,623	1,411,891

FUNDS DESIGNATED FOR:

Working reserve	4,273,000	4,565,000	4,969,000
Capital reserve - capital projects	11,127,158	10,600,000	2,700,000
Subsequent year's expenditures	676,041	-	-

UNDESIGNATED AND UNRESERVED FUNDS

-	36,212	21,580
\$ 24,174,529	\$ 26,348,382	\$ 18,745,774

**CITY OF LONE TREE
GENERAL FUND
FORECASTED 2017 BUDGET AS ADOPTED
WITH 2015 ACTUALS AND 2016 ESTIMATED**

REVENUE DETAIL

	2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
BEGINNING FUND BALANCE	\$ 17,876,332	\$ 22,070,850	\$ 24,017,619
REVENUE			
TAXES			
Sales tax	20,976,584	20,412,350	20,412,350
Use tax-retail	771,323	640,000	685,000
Use tax - building materials	1,030,391	808,000	917,000
Lodging tax	1,000,349	1,056,000	1,170,000
Admissions tax	368,432	400,000	405,000
TOTAL TAXES	24,147,079	23,316,350	23,589,350
FRANCHISE FEES			
Electric and gas	827,690	795,000	795,000
Cable TV	212,739	226,000	232,000
TOTAL FRANCHISE FEES	1,040,429	1,021,000	1,027,000
INTERGOVERNMENTAL			
Highway Users Tax (HUTF)	350,700	357,000	372,000
Conservation Trust Fund (Lottery)	60,608	70,000	64,000
Cigarette tax	194,668	192,000	192,000
County Road & Bridge shareback	1,178,411	1,410,841	1,410,149
Douglas County Shareback - transportation	2,333,900	2,429,200	2,519,200
Motor vehicle registration fees	43,768	46,000	46,500
Regional improvements contribution - RRMDs	126,209	183,990	184,365
Reimbursable costs	2,776,299	10,685,655	8,939,167
Grants	9,424	115,500	20,000
TOTAL INTERGOVERNMENTAL	7,073,987	15,490,186	13,747,381

**CITY OF LONE TREE
GENERAL FUND
FORECASTED 2017 BUDGET AS ADOPTED
WITH 2015 ACTUALS AND 2016 ESTIMATED**

REVENUE DETAIL - Continued

2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
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REVENUE (Continued)

LICENSES, FEES AND CHARGES

Sales and use tax and business license fees	31,562	7,500	32,000
Liquor license fees	20,796	16,000	20,000
Building permit fees	1,185,225	853,000	866,000
Planning and zoning fees	35,380	34,000	35,000
Engineering fees	104,071	155,000	158,000
Other	53,100	65,000	77,000
TOTAL LICENSE, FEES AND CHARGES	1,430,134	1,130,500	1,188,000

FINES AND FORFEITURES

Court fees	82,726	83,000	86,000
Vehicle and other code violation fines	567,732	580,000	590,000
Victims assistance surcharge	41,485	43,000	44,000
TOTAL FINES AND FORFEITURES	691,943	706,000	720,000

OTHER

Net investment income	21,019	100,000	60,000
Miscellaneous	1,162,634	721,735	71,000
Police Department fees and other charges	57,713	97,000	112,000
Tenant rental income	148,240	178,000	220,000
OTHER	1,389,606	1,096,735	463,000
Total revenue	35,773,178	42,760,771	40,734,731

TRANSFERS IN

Special Revenue Fund - RidgeGate	52,601	-	-
Debt Service Fund - Arts and Cultural Facilities	95,605	350,000	-
Total transfers in	148,206	350,000	-
Total funds available	\$ 53,797,716	\$ 65,181,621	\$ 64,752,350

**CITY OF LONE TREE
GENERAL FUND
FORECASTED 2017 BUDGET AS ADOPTED
WITH 2015 ACTUALS AND 2016 ESTIMATED**

EXPENDITURE DETAIL

2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
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EXPENDITURES

GENERAL GOVERNMENT

City Council expenditures	\$ 22,392	\$ 39,000	\$ 38,250
City Council stipend	60,205	62,346	64,692
Administrative Services - salaries and benefits	629,738	807,669	905,682
City Clerk	21,810	11,273	51,040
Human Resources	66,788	107,700	109,700
Information Technology	413,073	454,150	433,730
Municipal office building	475,590	444,740	588,250
Civic Center maintenance & utilities	75,589	82,160	96,300
LTAC maintenance & utilities	365,591	350,429	379,500
Restroom maintenance	6,061	11,000	9,500
Fountain maintenance	15,685	18,500	23,600
Yosemite Library Operations	-	30,000	90,000
Insurance	410,406	415,000	400,000
Finance - salaries and benefits	420,880	445,115	567,725
Finance	833	35,990	62,690
Audit	42,369	47,000	36,000
City Manager's Office - salaries and benefits	724,065	842,100	966,305
Dues and memberships	99,061	88,535	105,489
Legal - general	509,093	510,000	510,000
Legal - special	-	25,000	100,000
Consulting	28,437	10,000	200,000
Community support	36,995	20,500	22,500
Community garden	3,000	-	-
Youth initiatives	19,800	19,800	19,800
Housing Partnership	35,000	35,000	35,000
Living and aging well	-	2,600	1,800
Communications	66,332	128,015	116,300
Economic development	141,505	134,500	210,500
Miscellaneous	16,487	15,000	20,000
TOTAL GENERAL GOVERNMENT	4,706,785	5,193,122	6,164,353

**CITY OF LONE TREE
GENERAL FUND
FORECASTED 2017 BUDGET AS ADOPTED
WITH 2015 ACTUALS AND 2016 ESTIMATED**

EXPENDITURE DETAIL - Continued

2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
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EXPENDITURES (Continued)

MUNICIPAL COURT

Municipal Judge	26,403	25,000	30,000
Legal	36,000	36,000	36,000
Administration	123,028	149,500	213,330
Office supplies and software	3,677	1,000	1,500
Victims assistance	3,089	2,114	3,000
TOTAL MUNICIPAL COURT	192,197	213,614	283,830

COMMUNITY DEVELOPMENT

Salaries and benefits	688,226	786,920	829,188
Contract services	2,635	-	5,500
Field supplies	3,379	1,250	1,750
Planning Commission	2,206	2,500	2,500
Document scanning	9,775	691	-
Plan review and other inspections	52,499	75,000	75,000
Elevator inspections	50,210	65,200	77,575
City Forestry Program	3,000	-	1,000
ROW mowing	5,100	7,600	7,850
Engineering	192,896	275,000	125,000
Miscellaneous	10,904	8,930	9,530
TOTAL COMMUNITY DEVELOPMENT	1,020,830	1,223,091	1,134,893

POLICE DEPARTMENT

Salaries and benefits	5,346,228	5,504,700	6,006,000
Office and administration	98,246	107,900	117,200
Uniforms and equipment	50,110	70,700	60,550
Vehicles and equipment	462,331	432,540	476,205
General equipment	10,182	140,200	29,690
Intergovernmental agreements	647,864	699,903	742,466
Training	67,207	95,100	100,350
Community outreach and miscellaneous	15,098	20,815	24,215
TOTAL POLICE DEPARTMENT	6,697,266	7,071,858	7,556,676

**CITY OF LONE TREE
GENERAL FUND
FORECASTED 2017 BUDGET AS ADOPTED
WITH 2015 ACTUALS AND 2016 ESTIMATED**

EXPENDITURE DETAIL - Continued

2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
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EXPENDITURES (Continued)

PUBLIC WORKS

Public Works Department	610,477	715,000	735,000
Street lighting	357,100	415,000	450,000
Street maintenance	570,666	640,000	680,000
Drainage maintenance	43,730	272	60,000
Street & sidewalk sweeping	46,659	52,000	55,000
Traffic signal energy cost and maintenance	158,442	160,000	150,000
Signal timing	5,411	3,000	39,000
Snow removal	1,294,549	1,210,000	1,200,000
Landscaping maintenance	25,878	25,000	28,000
Trash and recycling service	534,692	530,000	540,000
Household hazardous waste program	6,050	4,500	6,500
Engineering	325,227	300,000	310,000
Fence maintenance	87,205	-	30,000
Geographic Information System (GIS)	163,485	140,000	150,000
Materials and equipment	1,852	7,000	10,000
EPA Phase 2 Drainage	52,558	80,000	55,000
Noxious weeds control	21,479	10,000	10,000
Signage and striping	84,374	120,000	120,000
Accident repairs	-	7,500	7,500
Public Works Facility operations and equipment	46,595	30,000	30,000
Software and support	7,880	19,000	19,000
Mutt mitts contract	10,338	10,500	11,000
Holiday lighting and decorations	18,135	25,000	25,000
Miscellaneous	250	3,000	3,000
Public Works vehicle maintenance and gas	-	-	3,000
Lincoln Pedestrian Bridge Maintenance	-	-	10,000
TOTAL PUBLIC WORKS	4,473,031	4,506,772	4,737,000

ARTS AND CULTURAL

Arts Center repairs and maintenance	107,441	50,000	382,000
Arts Center capital improvements	48,519	350,000	10,000
TOTAL ARTS AND CULTURAL	155,960	400,000	392,000

PARKS AND RECREATION

Joint recreational projects with South Suburban	28,802	-	350,000
Park and recreation capital improvements	-	-	100,000
TOTAL PARKS AND RECREATION	28,802	-	450,000

**CITY OF LONE TREE
GENERAL FUND
FORECASTED 2017 BUDGET AS ADOPTED
WITH 2015 ACTUALS AND 2016 ESTIMATED**

EXPENDITURE DETAIL - Continued

2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
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EXPENDITURES (Continued)

CAPITAL OUTLAY

Software packages	3,865	35,000	46,400
CarteGraph/ArcServer Upgrade	32,547	20,000	-
Website redesign	23,279	9,000	-
Overlay/reconstruction projects	1,484,679	1,625,000	1,800,000
Community sign plan	10,804	1,900	-
City Office building	31,893	470,000	245,000
City Office building - capital leases	1,290,006	-	-
Civic Center capital improvements	11,953	-	35,000
Concrete panel replacement	-	5,000	500,000
Entertainment District improvements	544,970	280,000	-
Park Meadows Dr. regional pond upgrade	-	-	10,000
Transportation study	50,000	-	-
Fingerprinting machines	-	-	52,253
Storm sewer improvements	183,998	135,000	350,000
Parkway Drive crossing Willow Creek	7,962	-	-
Light Rail Extension	-	6,333,334	8,333,334
Lone Tree Link	547,451	558,800	585,000
Walk and Wheel Study	11,140	-	-
Lincoln Pedestrian Bridge	193,912	2,065,000	4,935,000
Parkway Drive Reconstruction	211,685	537,621	-
Yosemite Turn Lane (Maximus to PMD)	63,362	801,000	15,000
Lincoln/I-25 Ramp Improvements	430,000	-	-
County Line/PMCD Intersection Improvements	-	-	270,000
LTAC Road Construction	184,234	-	-
LTAC Plaza	4,260	-	120,000
Town Ridge Drive Construction	157,249	-	-
Public art projects	1,600	20,100	11,400
Police Department substation	20,283	20,000	-
Schweiger Ranch preservation	75,000	50,000	-

**CITY OF LONE TREE
GENERAL FUND
FORECASTED 2017 BUDGET AS ADOPTED
WITH 2015 ACTUALS AND 2016 ESTIMATED**

EXPENDITURE DETAIL - Continued

	2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
EXPENDITURES (Continued)			
CAPITAL OUTLAY (Continued)			
Yosemite Library Building Purchase	-	800,000	-
Yosemite Library Remodel	31,033	70,000	609,000
Yosemite Library Capital Improvements	-	10,000	464,000
Reuter Hess	25,000	9,400	54,375
Boom truck and signal maintenance equipment	-	-	120,000
West Cook Creek Tributary Improvements study	-	51,547	-
Lincoln Avenue/Heritage Hills Circle Intersection Imp	-	225,000	-
Timberline storm sewer	-	6,000	-
RidgeGate Parkway Widening (Peoria to City Boundary)	-	-	200,000
Surrey Ridge Tunnel Drainage	-	-	150,000
City-Wide Pavement Assessment	-	-	25,000
Master Transportation Plan	-	-	25,000
Yosemite Medians (North of Park Meadows Drive)	-	-	20,000
Park Meadows Drive Improvements	-	-	500,000
Parkway Dr. Medians	-	6,000	-
Vehicles	30,745	-	-
Retail retention agreement	75,000	75,000	75,000
Service provider shareback agreement	-	-	5,000
Annexation shareback agreement	-	-	25,000
Retail shareback	614,112	540,000	480,000
Developer revenue shareback	1,541,490	1,430,000	1,745,000
Reimbursement of sales taxes to PMBID	5,474,040	5,175,000	5,152,000
Reimbursement property taxes-PMBID for PMMD	287,143	230,000	230,000
TOTAL CAPITAL OUTLAY	<u>13,654,695</u>	<u>21,594,702</u>	<u>27,187,762</u>
 Total expenditures	 <u>30,929,566</u>	 <u>40,203,159</u>	 <u>47,906,514</u>
TRANSFERS OUT			
Special Revenue Fund - Arts Center	797,300	960,843	949,017
Total transfers out	<u>797,300</u>	<u>960,843</u>	<u>949,017</u>
 Total appropriation	 <u>31,726,865</u>	 <u>41,164,002</u>	 <u>48,855,531</u>
ENDING FUND BALANCE	<u>\$ 22,070,850</u>	<u>\$ 24,017,619</u>	<u>\$ 15,896,819</u>

CITY OF LONE TREE
SPECIAL REVENUE FUND - CULTURAL AND COMMUNITY SERVICES FUND
FORECASTED 2017 BUDGET AS ADOPTED
WITH 2015 ACTUALS AND 2016 ESTIMATED

	2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
LONE TREE ARTS CENTER			
Operating			
Ticket sales	812,234	656,203	1,238,544
Ticket handling fees	115,511	104,987	136,782
Rental fees	122,135	134,068	135,000
Concessions and catering	119,129	95,588	102,000
Labor charge backs	87,085	72,406	77,000
Miscellaneous	11,303	6,687	4,000
Non-Operating			
Individual, corporate and foundation contributions	198,934	260,950	323,800
Government grants	253,110	262,675	257,500
TOTAL LONE TREE ARTS CENTER	1,719,441	1,593,564	2,274,626
OTHER			
Annual Events	19,252	17,822	19,000
Arts and cultural events	8,488	6,294	6,300
TOTAL OTHER	27,740	24,116	25,300
Total revenue	1,747,181	1,617,680	2,299,926
TRANSFERS IN			
General Fund - Lone Tree Arts Center	485,420	677,422	648,332
General Fund - Annual events	268,893	235,588	249,235
General Fund - Arts and cultural events	37,585	41,833	45,450
General Fund - Park and recreation	5,402	6,000	6,000
Total transfers in	797,300	960,843	949,017
Total funds available	\$ 2,544,481	\$ 2,578,523	\$ 3,248,943

CITY OF LONE TREE
SPECIAL REVENUE FUND - CULTURAL AND COMMUNITY SERVICES FUND
FORECASTED 2017 BUDGET AS ADOPTED
WITH 2015 ACTUALS AND 2016 ESTIMATED

2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
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EXPENDITURES

LONE TREE ARTS CENTER

Administration	151,423	162,151	166,494
Programming	1,485,457	1,471,672	2,041,281
Marketing	437,675	433,880	455,980
Facilities	9,349	14,300	14,800
Development	120,958	184,985	204,403
Contingency	-	4,000	40,000
TOTAL LONE TREE ARTS CENTER	2,204,861	2,270,986	2,922,958

OTHER

Annual events	288,144	253,410	268,235
Arts and cultural events	46,074	48,127	51,750
Recreational activities and support	5,402	6,000	6,000
TOTAL OTHER	339,620	307,537	325,985

Total expenditures	2,544,481	2,578,523	3,248,943
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TRANSFERS OUT

Total transfers out	-	-	-
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Total appropriation	2,544,481	2,578,523	3,248,943
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ENDING FUND BALANCE	\$ -	\$ -	\$ -
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CITY OF LONE TREE
DEBT SERVICE FUND - ARTS AND CULTURAL FACILITIES
FORECASTED 2017 BUDGET AS ADOPTED
WITH 2015 ACTUALS AND 2016 ESTIMATED

	2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
BEGINNING FUND BALANCE	\$ 655,277	\$ 1,059,919	\$ 1,092,140
REVENUE			
Sales tax	1,824,859	1,774,500	1,774,500
Use tax - retail	56,576	48,000	53,000
Use tax - building materials	75,101	54,500	56,000
Bond issuance	-	-	7,054,624
Net investment income	667	5,165	6,800
Total revenue	<u>1,957,203</u>	<u>1,882,165</u>	<u>8,944,924</u>
TRANSFERS IN			
General Fund	-	-	-
Total transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>2,612,480</u>	<u>2,942,084</u>	<u>10,037,064</u>
EXPENDITURES			
Bond interest	471,756	439,744	366,685
Bond principal	985,000	1,060,000	1,140,000
Paying agent fees	200	200	200
Refunded bonds	-	-	6,969,842
Bond issuance costs	-	-	81,075
Contingency	-	-	42,198
Total expenditures	<u>1,456,956</u>	<u>1,499,944</u>	<u>8,600,000</u>
TRANSFERS OUT			
General Fund	95,605	350,000	-
Total transfers out	<u>95,605</u>	<u>350,000</u>	<u>-</u>
Total appropriation	<u>1,552,561</u>	<u>1,849,944</u>	<u>8,600,000</u>
ENDING FUND BALANCE	<u>\$ 1,059,919</u>	<u>\$ 1,092,140</u>	<u>\$ 1,437,064</u>

CITY OF LONE TREE
DEBT SERVICE FUND - PARK AND RECREATION IMPROVEMENTS
FORECASTED 2017 BUDGET AS ADOPTED
WITH 2015 ACTUALS AND 2016 ESTIMATED

	2015 ACTUAL	2016 ESTIMATED	2017 ADOPTED
BEGINNING FUND BALANCE	\$ 778,577	\$ 1,043,760	\$ 1,238,623
REVENUE			
Sales tax	1,216,573	1,183,150	1,183,150
Use tax - retail	37,717	32,000	35,000
Use tax - building materials	50,116	36,000	37,000
Bond issuance	-	-	5,583,118
Net investment income	690	4,600	6,000
Total revenue	<u>1,305,095</u>	<u>1,255,750</u>	<u>6,844,268</u>
TRANSFERS IN			
General Fund	-	-	-
Total transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>2,083,672</u>	<u>2,299,510</u>	<u>8,082,891</u>
EXPENDITURES			
Bond interest	394,713	365,687	242,290
Bond principal	645,000	695,000	785,000
Paying agent fees	200	200	200
Refunded bonds	-	-	5,482,436
Bond issuance costs	-	-	100,050
Contingency	-	-	61,024
Total expenditures	<u>1,039,913</u>	<u>1,060,887</u>	<u>6,671,000</u>
TRANSFERS OUT			
Total transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total appropriation	<u>1,039,913</u>	<u>1,060,887</u>	<u>6,671,000</u>
ENDING FUND BALANCE	<u>\$ 1,043,760</u>	<u>\$ 1,238,623</u>	<u>\$ 1,411,891</u>



CITY OF LONE TREE

STAFF REPORT

TO: Mayor Millet and City Council

FROM: Steve Hebert, Deputy City Manager

FOR: December 6, 2016 Council Meeting

DATE: November 30, 2016

SUBJECT: Ordinance No. 16-07, an Ordinance Approving a Franchise Agreement between the City of Lone Tree and Public Service Company of Colorado (Xcel Energy)

Summary

If adopted, Ordinance No. 16-07 will approve a franchise agreement between the City of Lone Tree and Public Service Company of Colorado (a.k.a. Xcel Energy). The agreement grants the Company the right to use the city's streets and rights-of-way, public utility easements and other city property to provide gas and electricity to the city and to the residents and businesses within the city limits.

Throughout this staff report, the terms Public Service Company of Colorado, the Company and Xcel Energy are the same.

Cost

There is no direct cost to the City. The franchise agreement sets the gas and electric franchise fee at three percent (3%) of Xcel's gross revenues.

Suggested Motion or Recommended Action

After City Council review and consideration, staff recommends the following motion:

"I move to approve, on first reading, Ordinance No. 16-07, an ordinance approving a franchise agreement between the City of Lone Tree, Colorado and Public Service Company of Colorado, granting the right to provide, sell and deliver gas and electricity to the City and its residents, using city streets and rights-of-way, public utility easements and other City property pursuant to the terms of the franchise agreement."

Existing Xcel Franchise Agreement

The existing franchise agreement was approved by City Council on January 7, 1997 with a twenty (20) year term. The existing agreement expires on January 7, 2017.

Proposed Franchise Agreement

The proposed agreement is similar in principle to the previous agreement. However, it is more extensive in several areas and includes new elements and provisions that have been developed over the last several years as the Company negotiated franchise agreements with other municipalities. This agreement embodies most, if not all, of the concepts in recently negotiated agreements with other cities and towns in the Denver region. While the Lone Tree agreement is similar to agreements adopted in other municipalities, Xcel usually proposes changes from time to time, so there will always be some differences between franchise agreements in the region, depending upon when they were adopted.

Below is a summary of the key provisions in the agreement.

Grant of Franchise

The City grants to the Company the non-exclusive right to use the City Streets, Public Utility Easements (as applicable) and Other City Property (subject to the terms contained in the franchise) to provide Utility Service to the City and to its residents.

The agreement will be in effect from January 7, 2017 through January 6, 2037, unless extended by mutual consent.

City Police Powers

The City maintains all of its police powers and Xcel agrees to comply with all ordinances and regulations adopted pursuant to the City's police powers. The City also commits to make a good faith effort to advise the Company if the City considers changes to its regulations that would have a significant impact on the Company.

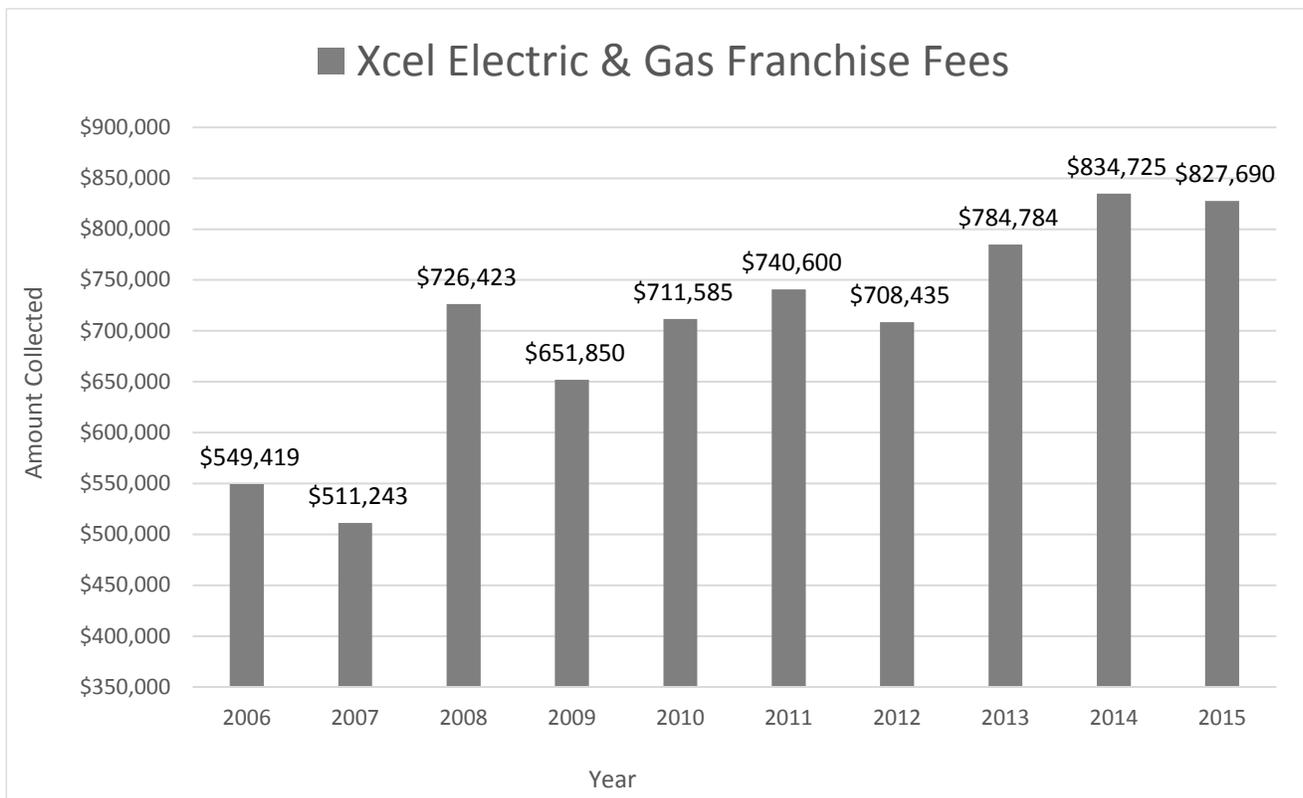
The City agrees to make a good faith effort to make our regulations and permit conditions consistent with industry standards and take into consideration input from the Company when the Company believes new regulations will unnecessarily increase its costs. However, the City retains the authority to adopt regulations that may not be consistent with industry standards if it deems it appropriate.

The Company acknowledges the City's rights to enforce its regulations and require permits for work the Company might perform.

Franchise Fee

In exchange for use of the City's streets, rights-of-way, public utility easements and other property, the Company will pay the City a sum equal to three percent (3%) of all Gross Revenues. The proposed fee is the same as the three percent fee in the 1997 agreement and similar to fees paid by the Company to other municipalities throughout Colorado.

In 2015, the Xcel franchise fee generated \$827,690. The chart below shows the annual Xcel franchise fee revenue from 2006 – 2015. Some of the factors affecting demand for gas and electricity include the amount of new development in the city; weather conditions, and related the need for heating and cooling throughout the year; and more energy efficient HVAC systems, lighting and appliances. Therefore, even though our population has increased over the years, there is not a direct correlation with the total demand for gas and electricity.



Pursuant to the agreement, every three years the City has the right to request an audit to determine the correctness of the franchise fee paid to the City. The agreement sets forth the process for conducting such an audit and settling disputes, if any.

Administration of Franchise

The Company agrees to coordinate its activities in City streets, public utility easements and other City property. The City and the Company will meet annually to exchange short-term and long-term forecasts and/or plans for construction and other similar work that may affect City streets. The Company agrees to share information on significant upgrades to infrastructure within the City. The City agrees to provide the Company notice of private and public land development projects that may require significant upgrades to future gas and/or electric utility development by the Company.

Supply, Construction and Design

All work within City streets and other City property shall be high-quality; timely and expeditious; reasonably minimize inconvenience to the public; cost-effective and in accordance with applicable laws, ordinances and regulations.

The Company's work covered under this agreement is subject to permit, inspection and approval by the City in accordance with applicable laws. The Company is also required to restore City streets or other City property to a condition substantially the same as existed before the work. The Company is required to submit as-built drawings to the City of any Company facility installed within the City streets or contiguous to the City streets.

Perhaps one of the most significant provisions of any local franchise agreement is the requirement that the Company shall relocate any Company facility such as a gas line or electric line at no cost or expense to the City when the City determines the relocation is necessary for the completion of a public project. Examples include when the City widens a street to add additional lanes or when repairs to City-owned storm sewers require relocation.

Finally, under this section there is a provision that states the City is not required to advance funds when the Company installs facilities to provide utility service to the City when the City is the customer.

Reliability

The Company commits to operate and maintain Company facilities efficiently, economically, in accordance with industry standards and in accordance with the standards, systems, methods and skills consistent with the provision of adequate, safe and reliable utility service. The City can request the Company provide a report regarding the reliability of the Company's facilities and utility service. The actual

provision of service is governed by the Colorado Public Utilities Commission (PUC). If the Company were to provide inadequate service, and the City is not able to resolve the issue with the Company, the City would have the choice of either bringing legal action in court for a franchise violation, or filing a complaint with the PUC, seeking PUC action to require improvements in service delivery.

Company Performance Obligations

The Company commits to completing each project requested by the City within a reasonable time, not to exceed 180 days. The agreement sets forth the process for defining and requesting projects. If the Company were to exceed the time allowed to complete a project, the City would have a claim for breach of the franchise agreement, and could seek recover in court for any damages caused by the delay.

Use of Company Facilities

The City is permitted to use the Company electric distribution poles in the City, subject to Tariffs, without a use fee for the placement of City equipment or facilities necessary to serve a legitimate police, fire, emergency, public safety or traffic control purpose.

This section also requires the Company to offer to grant to the City use of transmission rights-of-way within the City for trails, parks and open space.

Undergrounding of Overhead Facilities

Upon payment to the Company, the Company shall place all newly constructed electrical distribution lines in newly developed areas of the City underground in accordance with applicable laws, regulations and orders of the City, consistent with industry standards.

As in the current franchise agreement, the Company shall budget and allocate an annual amount equivalent to one percent (1%) of the preceding year's electric gross revenues, for the purpose of undergrounding its existing overhead electric distribution lines in the City in city streets and other city property. This is often referred to as the One Percent Fund. Money in the current Lone Tree fund will be used to underground overhead lines on the north and south side of Park Meadows Drive near the Willow Creek open space and trail.

Purchase or Condemnation

The franchise agreement recognizes the right of the City to construct, own and operate its own municipal utility, and to purchase pursuant to a mutually acceptable agreement or condemn any Company facilities located in the territorial boundaries of the City, subject to the constitution, statutes and case law of the State of Colorado. If the City intends to purchase or condemn such facilities, the City shall give the Company at least one (1) year's notice.

Municipally Produced Utility Service

The City expressly reserves the right to engage in the production of utility service to the extent permitted by law.

The franchise also includes articles with provisions and stipulations under the headings of Definitions; Billing and Payment; Environment and Conservation; Transfer of Franchise; Continuation of Utility Service (in the event the agreement expires or is terminated); Indemnification and Immunity; Breach; Amendments; Equal Opportunity and Miscellaneous.

Summary of Negotiations and Consensus

Throughout the negotiations on the proposed agreement, the City's objective was to continue to allow the Company the right to use the City's streets and rights-of-way, public utility easements and other City property to provide gas and electricity to the City and to the residents and businesses within the City limits.

Although not without periodic challenges and frustrations, the City's relationship with Xcel over the last twenty years has been a good one. The Company's ability to plan for and provide high quality electric and gas service to the community has allowed the Lone Tree community to prosper. Xcel's ability to provide adequate and reliable utility service is a key factor in building an attractive community in which to live and work.

The City's negotiating team was led by Ken Fellman, an attorney with Kissinger & Fellman, P.C., assisted by Brandon Dittman, attorney with the same firm. Neil Rutledge of the City Attorney's office and Steve Hebert, Deputy City Manager also participated in the negotiations. Throughout the negotiations, the intent was to accommodate within reason the Company's needs while protecting the interests of the City and the Xcel customers within the City.

Some of the key points of contention that were eventually resolved include:

City Police Powers and Industry Standards

In an attempt to prevent the City from adopting regulations that would either violate or be contrary to industry standards, Xcel proposed language stipulating the Company would comply with local laws, regulations, permits and orders, but only if they were consistent with industry standards. The City objected to such a provision because it would be almost impossible for the City to know of all the various industry standards, not to mention the fact that such language would limit the City's police powers and the authority of City Council to adopt otherwise valid laws that would apply to other rights of way users, but not Xcel..

The resolution of this conflict was adding language whereby the City will make a good faith effort to make its regulations and permit conditions consistent with industry standards and the Company agrees to make good faith efforts to advise the City of industry standards that affect the Company's operations. The City retains ultimate authority however, to decide what police power ordinances and regulations to adopt.

Reliance on Third Party Data for Franchise Fee Audits

If an audit shows that the City has been underpaid, Xcel is responsible for the past due amounts. If the underpayment is more than 2%, Xcel is required to pay the costs of the audit. Xcel originally proposed language that they would not be responsible for paying the City audit costs if the underpayment was the result of errors in data provided to Xcel by third party contractors. This was unacceptable to the City. Resolution was reached with language that "the Company shall not be responsible for the costs of the City's audit when underpayment is caused by errors from information provided by an entity certified by the Colorado Department of Revenue as a "hold harmless entity" or other similar entity recognized by the Department of Revenue." The State certifies certain companies as "hold harmless" entities, meaning that if taxpayers use these certified databases and are found to have underpaid taxes, they will not be liable for sales and use taxes otherwise owed to the State and state-collected municipalities, counties and special districts. The City has agreed that if Xcel underpays based upon data from one of these State-certified companies, it will not be responsible for paying the City's audit costs. Staff believes this was a fair compromise.

Undergrounding of Overhead Facilities

Xcel wants to limit the Underground Conversion Program (or One Percent Fund) to existing overhead electric distribution lines and not all electric distribution facilities, which might include transformers and other equipment. This is likely to be a

significant issue for other municipalities that have many older overhead facilities. However, the City of Lone Tree only has a limited number of such overhead lines and equipment. The City has agreed to the more restrictive language of distribution lines only because it is not likely to be an issue for the City of Lone Tree in the future. The City and the Company have proposed a “side letter agreement” that clarifies why the City has agreed to limit the applicability of the underground conversion program to existing overhead “lines” as opposed to existing overhead Distribution Facilities.

Contingency Fee-Based Audits

The parties were not able to come to agreement on language proposed by Xcel related to audits of franchise obligations conducted by third parties retained by the City, whereby the auditor is to be compensated on a contingency fee basis. The City insisted, and Xcel finally agreed, that there would be no such language in the franchise agreement. The parties did agree however, that if, at some future date, the City decides to audit financial obligations of the Franchise, whereby the auditor is to be compensated based upon a contingency fee, Xcel retains all rights to challenge the propriety of such an audit and compensation structure on any ground. Likewise, the City retains all rights on any ground it may have to support whatever compensation structure it may be proposing for its auditor at such time. While it is unlikely that the City would propose a contingency fee based audit, it is the City’s legal right to do so, and we were successful in keeping a restriction on this activity in the franchise agreement.

The above language is also included in the “side letter agreement” mentioned earlier and attached to this report.

Attachments:

- A. Ordinance No. 16-07
- B. Franchise Agreement Between the City of Lone Tree, Colorado and Public Service Company of Colorado
- C. Draft “Side Letter Agreement”

**ORDINANCE OF THE
CITY OF LONE TREE**

Series of 2016

Ordinance No. 16-07

AN ORDINANCE APPROVING A FRANCHISE AGREEMENT BETWEEN THE CITY OF LONE TREE, COLORADO, AND PUBLIC SERVICE COMPANY OF COLORADO, GRANTING THE RIGHT TO PROVIDE, SELL AND DELIVER GAS AND ELECTRICITY TO THE CITY AND ITS RESIDENTS USING CITY STREETS AND RIGHTS-OF-WAY, PUBLIC UTILITY EASEMENTS AND OTHER CITY PROPERTY.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LONE TREE, COLORADO:

ARTICLE 1 – AUTHORITY

The City of Lone Tree (the "City") is a home rule municipality operating under the Lone Tree Home Rule Charter (the "Charter") adopted on May 5, 1998 and a Municipal Code (the "Code"), codified and adopted on December 7, 2004. Pursuant to the Charter, the Municipal Code and the authority given home rule cities, the City may adopt and amend Ordinances.

ARTICLE 2 – FINDINGS OF FACT

1. The City currently has in effect a franchise agreement with Public Service Company of Colorado ("PSC"), a Colorado corporation and an Excel Energy company, dated January 7, 1996, for a twenty year term.

2. The City has negotiated a new franchise agreement with PSC (the "Franchise Agreement") for the payment of franchise fees, and granting PSC the right to provide, sell and deliver gas and electricity to the City and its residents using City streets and rights-of-way, public utility easements and other City property, with additional terms and conditions.

3. The City Council finds it is in the best interest of the public to enter into a new and continuing Franchise Agreement with PSC subject to the terms and conditions of the Franchise Agreement.

4. The City Council has determined that the approval and adoption of the Franchise Agreement by ordinance is desirable and necessary.

ARTICLE 3 – ADOPTION OF PSC FRANCHISE AGREEMENT

The Franchise Agreement (Exhibit A), attached hereto and incorporated herein, is hereby approved, enacted and adopted in its entirety.

ARTICLE 4 - AGREEMENT EFFECTIVE

The provisions of the Franchise Agreement (Exhibit A) shall go into effect on January 7, 2017.

ARTICLE 5 – SAFETY CLAUSE

The City Council hereby finds, determines, and declares that this Ordinance is promulgated under the general police power of the City, that it is promulgated for the health, safety, and welfare of the public, and that this Ordinance is necessary for the preservation of health and safety and for the protection of public convenience and welfare.

ARTICLE 6 – CAUSES OF ACTION RETAINED

Nothing in this Ordinance hereby adopted shall be construed to affect any suit or proceeding pending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby amended, repealed or replaced; nor shall any just or legal right or remedy of any character be lost, impaired or affected by this Ordinance. This Ordinance shall not be construed nor shall it be deemed to constitute any waiver or release of any legal rights, authority, permits, franchises or written agreements that the City of Lone Tree may have with Public Service Company of Colorado.

ARTICLE 7 – SEVERABILITY

If any part or provision of this Ordinance, or its application to any person or circumstance, is adjudged to be invalid or unenforceable, the invalidity or unenforceability of such part, provision, or application shall not affect any of the remaining parts, provisions or applications of this Ordinance which can be given effect without the invalid provision, part or application, and to this end the provisions and parts of this Ordinance are declared to be severable.

ARTICLE 8 - EFFECTIVE DATE

This Ordinance shall take effect thirty (30) days following publication after the first reading if no changes are made on second reading, or twenty (20) days after publication following second reading if changes are made upon second reading.

**INTRODUCED, READ AND ORDERED PUBLISHED THIS 6TH DAY OF
DECEMBER, 2016.**

CITY OF LONE TREE

Jacqueline A. Millet, Mayor

ATTEST:

(S E A L)

Jennifer Pettinger, CMC, City Clerk

Exhibit A – Franchise Agreement

**FRANCHISE AGREEMENT BETWEEN THE CITY OF LONE TREE, COLORADO
AND PUBLIC SERVICE COMPANY OF COLORADO**

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ARTICLE 1
DEFINITIONS

For the purpose of this franchise agreement (“Franchise”), the following words and phrases shall have the meaning given in this Article. When not inconsistent with context, words used in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural. The word “shall” is mandatory and “may” is permissive. Words not defined in this Article shall be given their common and ordinary meaning.

- §1.1 “City” refers to the City of Lone Tree, a municipal corporation in the State of Colorado.
- §1.2 “Clean Energy” means energy produced from Renewable Energy Resources, eligible energy sources, and by means of advanced technologies that cost-effectively capture and sequester carbon emissions produced as a by-product of power generation. For purposes of this definition, “cost” means all those costs as determined by the PUC.
- §1.3 “Company” refers to Public Service Company of Colorado, a Colorado corporation, and an Xcel Energy company and its successors and assigns including affiliates or subsidiaries that undertake to perform any of the obligations under this Franchise.
- §1.4 “Company Facilities” refers to all facilities of the Company reasonably necessary or desirable to provide gas and electric service into, within and through the City, including but not limited to plants, works, systems, substations, transmission and distribution structures and systems, lines, equipment, pipes, mains, conduit, transformers, underground lines, gas compressors, meters, meter reading devices, communication and data transfer equipment, control equipment, gas regulator stations, street lights, wire, cables and poles as well as all associated appurtenances.
- §1.5 “Council” or “City Council” refers to and is the legislative body of the City.
- §1.6 “Distribution Facilities” refers to those lines designed to operate at the utility’s distribution voltages in the area defined in the Company’s Tariffs including substation transformers that transform electricity to a distribution voltage and also includes other equipment within a transforming substation which is not integral to the circuitry of the utility’s transmission system.
- §1.7 “Electric Gross Revenues” refers to those amounts of money that the Company receives from the sale or delivery of electricity in the City, after adjusting for refunds, net write-offs of accounts, corrections, or regulatory adjustments. Regulatory adjustments include, but are not limited to, credits, surcharges, refunds, and pro-forma adjustments pursuant to federal or state regulation. “Electric Gross Revenues” shall exclude any revenue from the sale or delivery of electricity to the City as a customer of the Company.

- §1.8 “Energy Conservation” means the decrease in energy requirements of specific customers during any selected time period, resulting in a reduction in end-use services.
- §1.9 “Energy Efficiency” means the decrease in energy requirements of specific customers during any selected period with end-use services of such customers held constant.
- §1.10 “Force Majeure” means the inability to undertake an obligation of this Franchise due to a cause that could not be reasonably anticipated by a party or is beyond its reasonable control after exercise of best efforts to perform, including but not limited to fire, strike, war, riots, terrorist acts, acts of governmental authority, acts of God, floods, epidemics, quarantines, labor disputes, unavailability or shortages of materials or equipment or failures or delays in the delivery of materials. Neither the City nor the Company shall be in breach of this Franchise if a failure to perform any of the duties under this Franchise is due to a Force Majeure condition.
- §1.11 “Gross Revenues” refers to those amounts of money that the Company receives from the sale of gas and electricity within the City under rates authorized by the Public Utilities Commission, as well as from the transportation of gas to its customers within the City, as adjusted for refunds, net write-offs of uncollectible accounts, corrections, or regulatory adjustments. Regulatory adjustments include, but are not limited to, credits, surcharges, refunds, and pro-forma adjustments pursuant to federal or state regulation. “Gross Revenues” shall exclude any revenues from the sale of gas or electricity to the City or the transportation of gas to the City.
- §1.12 “Industry Standards” refers to standards developed by government agencies and generally recognized organizations that engage in the business of developing utility industry standards for materials, specifications, testing, construction, repair, maintenance, manufacturing, and other facets of the electric and gas utility industries. Such agencies and organizations include, but are not limited to the U.S. Department of Transportation, the Federal Energy Regulatory Commission (FERC), the North American Electric Reliability Corporation (NERC), the Pipeline and Hazardous Materials Safety Administration (PHMSA), the Colorado Public Utilities Commission, the American National Standards Institute (ANSI), the American Society for Testing and Materials (ASTM), the Pipeline Research Council International, Inc. (PRCI), the American Society of Mechanical Engineers (ASME), the Institute of Electric and Electronic Engineers (IEEE), the Electric Power Research Institute (EPRI), the Gas Technology Institute (GTI), the National Fire Protection Association (NFPA), and specifically includes the National Electric Safety Code (NESC).
- §1.13 “Open Space” refers to privately-owned property protected by real covenant, or publicly-owned property protected by covenant and/or designated by ordinance or resolution of the City Council, which covenant or designation designates the property for use as one (1) or more of the following: a community buffer; a wildlife corridor and habitat area; a wetland; a view corridor; agricultural land; an area of archeological, historical, geologic or topographic significance; an area containing significant renewable and/or nonrenewable natural resources; and/or other undesignated, typically non-irrigated, undeveloped land uses. Open Space shall not include Parks.

- §1.14 “Other City Property” refers to the surface, the air space above the surface and the area below the surface of any property owned by the City or directly controlled by the City due to the City’s real property interest in the same or hereafter owned by the City, that would not otherwise fall under the definition of “Streets,” but which provides a suitable location for the placement of Company Facilities as specifically approved in writing by the City. Other City Property does not include Public Utility Easements.
- §1.15 “Parks” refers to land area owned by the City, either independently or with another governmental or quasi-governmental entity, that is developed and maintained for active or passive recreational use and is open for the general public’s use and enjoyment; which, by way of example only, may include public playfields, courts, and other recreation facilities, or may include greenways, water features, picnic areas, or natural areas.
- §1.16 “Private Project” refers to any project which is not covered by the definition of Public Project.
- §1.17 “Public Project” refers to (1) any public work or improvement within the City that is wholly owned by the City; or (2) any public work or improvement within the City where fifty percent (50%) or more of the funding is provided by any combination of the City, the federal government, the State of Colorado, or any Colorado county, but excluding all entities established under Title 32 of the Colorado Revised Statutes.
- §1.18 “Public Utilities Commission” or “PUC” refers to the Public Utilities Commission of the State of Colorado or other state agency succeeding to the regulatory powers of the Public Utilities Commission.
- §1.19 “Public Utility Easement” refers to any platted easement over, under, or above public or private property, expressly dedicated to, and accepted by, the City for the use of public utility companies for the placement of utility facilities, including but not limited to Company Facilities.
- §1.20 “Relocate,” “Relocation,” or “Relocated” refers to the definition assigned such terms in Section 6.8.A of this Franchise.
- §1.21 “Renewable Energy Resources” means wind, solar, and geothermal resources; energy produced from biomass from nontoxic plant matter consisting of agricultural crops or their byproducts, urban wood waste, mill residue, slash, or brush, or from animal wastes and products of animal wastes, or from methane produced at landfills or as a by-product of the treatment of wastewater residuals; new hydroelectricity with a nameplate rating of ten (10) megawatts or less; and hydroelectricity in existence on January 1, 2005, with a nameplate rating of thirty (30) megawatts or less; fuel cells using hydrogen derived from a Renewable Energy Resource; and recycled energy produced by a generation unit with a nameplate capacity of not more than fifteen (15) megawatts that converts the otherwise lost energy from the heat from exhaust stacks or pipes to electricity and that does not combust additional fossil fuel, and includes any

eligible renewable energy resource as defined in §40-2-124(1)(a), C.R.S., as the same shall be amended from time to time.

- §1.22 “Residents” refers to all persons, businesses, industries, governmental agencies, including the City, and any other entity whatsoever, presently located or to be hereinafter located, in whole or in part, within the territorial boundaries of the City.
- §1.23 “Streets” or “City Streets” refers to the surface, the air space above the surface and the area below the surface of any City-dedicated or City-maintained streets, alleys, bridges, roads, lanes, access easements, and other public rights-of-way within the City, which are primarily used for vehicle traffic. Streets shall not include Public Utility Easements and Other City Property.
- §1.24 “Supporting Documentation” refers to all information reasonably required or needed in order to allow the Company to design and construct any work performed under the provisions of this Franchise. Supporting Documentation may include, but is not limited to, construction plans, a description of known environmental issues, the identification of critical right-of-way or easement issues, the final recorded plat for the property, the date the site will be ready for the Company to begin construction, the date gas service and meter set are needed, and the name and contact information for the City’s project manager.
- §1.25 “Tariffs” refer to those tariffs of the Company on file and in effect with the PUC or other governing jurisdiction, as amended from time to time.
- §1.26 “Transmission Facilities” refers to those lines and related substations designed and operating at voltage levels above the utility’s voltages for Distribution Facilities, including but not limited to related substation facilities such as transformers, capacitor banks, or breakers that are integral to the circuitry of the Company’s transmission system.
- §1.27 “Utility Service” refers to the sale of gas or electricity to Residents by the Company under rates and Tariffs approved by the PUC, as well as the delivery of gas to Residents by the Company.

ARTICLE 2 GRANT OF FRANCHISE

§2.1 Grant of Franchise.

A. Grant. The City hereby grants to the Company, subject to all conditions, limitations, terms, and provisions contained in this Franchise, the non-exclusive right to make reasonable use of City Streets, Public Utility Easements (as applicable) and Other City Property:

- (1) to provide Utility Service to the City and to its Residents under the Tariffs;
and

(2) to acquire, purchase, construct, install, locate, maintain, operate, upgrade and extend into, within and through the City all Company Facilities reasonably necessary for the generation, production, manufacture, sale, storage, purchase, exchange, transportation, transmission and distribution of Utility Service within and through the City.

B. Street Lighting and Traffic Signal Lighting Service. The rights granted by this Franchise encompass the nonexclusive right to provide street lighting service and traffic signal lighting services as directed by the City and, where applicable, the provisions of this Franchise shall apply with full and equal force to street lighting service and traffic signal lighting service provided by the Company pursuant to its Tariffs. In the event of a conflict between the provisions of this Franchise and the Tariffs, the Tariffs shall control. Wherever reference is made in this Franchise to the sale or provision of Utility Service these references shall be deemed to include the provision of street lighting service and traffic signal lighting service

C. New Company Facilities in Other City Property, Excluding Parks and Open Space. For all Other City Property that is not a Park or Open Space, the City's grant to the Company of the right to locate Company Facilities in, on, over or across such Other City Property shall be subject to the Company's already having or first receiving from the City approval of the location of such Company Facilities, in the City's reasonable discretion; and (2) the terms and conditions of the use of such Other City Property shall be governed by this Franchise as may be reasonably supplemented to account for the unique nature of such Other City Property; by way of illustration and example only, the City may want to condition the use of Other City Property that is a golf course upon the Company not constructing Company Facilities in fairways or greens or during peak golf season. Nothing in this subsection C. shall modify or extinguish pre-existing Company property rights. Further, this paragraph shall not prohibit the Company from modifying, replacing or upgrading Company Facilities already located in Parks or Open Space in accordance with the terms and conditions of the City license agreement, permit or other agreement that granted the Company the right to use such Other City Property or, if there is no such license agreement, permit or other agreement, in accordance with this Franchise.

D. New Company Facilities in Other City Property that are Parks or Open Space. The City's grant to the Company of the right to locate Company Facilities in, on, over or across Other City Property that is a Park or Open Space shall be subject to (1) the Company's already having or first receiving from the City a revocable license, permit or other agreement approving the location of such Company Facilities, which the City may grant or deny in its sole discretion; and (2) the terms and conditions of such revocable license agreement, permit or other written agreement. Nothing in this subsection D. shall modify or extinguish pre-existing Company property rights. Further, this paragraph shall not prohibit the Company from modifying, replacing or upgrading Company Facilities already located in Parks or Open Space in accordance with the terms and conditions of the City license agreement, permit or other agreement that granted the Company the right to use such Parks or Open Space or, if there is no such license agreement, permit or other agreement, in accordance with this Franchise.

§2.2 Conditions and Limitations.

- A. Scope of Franchise. The grant of this Franchise shall extend to all areas of the City as it is now or hereafter constituted that are within the Company's PUC-certificated service territory; however, nothing contained in this Franchise shall be construed to authorize the Company to engage in activities other than the provision of Utility Service.
- B. Subject to City Usage. The right to make reasonable use of City Streets to provide Utility Service to the City and its Residents under this Franchise is subject to and subordinate to any City usage of said Streets.
- C. Prior Grants Not Revoked. This grant and Franchise is not intended to revoke any prior license, grant, or right to use the Streets, Other City Property or Public Utility Easements and such licenses, grants or rights of use are hereby affirmed.
- D. Franchise Not Exclusive. The rights granted by this Franchise are not, and shall not be deemed to be, granted exclusively to the Company, and the City reserves the right to make or grant a franchise to any other person, firm, or corporation.

§2.3 Effective Date and Term.

- A. Term. This Franchise shall take effect on January 7, 2017 and shall supersede any prior franchise grants to the Company by the City. This Term of this Franchise shall terminate on January 6, 2037, unless extended by mutual consent.

ARTICLE 3
CITY POLICE POWERS

- §3.1 Police Powers. The Company expressly acknowledges the City's right to adopt, from time to time, in addition to the provisions contained herein, such laws, including ordinances and regulations, as it may deem necessary in the exercise of its governmental powers. If the City considers making any substantive changes in its local codes or regulations that in the City's reasonable opinion will significantly impact the Company's operations in the City's Streets, Public Utility Easements and Other City Property, it will make a good faith effort to advise the Company of such consideration; provided, however, that lack of notice shall not be justification for the Company's non-compliance with any applicable local requirements.
- §3.2 Regulation of Streets or Other City Property. The Company expressly acknowledges the City's right to enforce regulations concerning the Company's access to or use of the Streets, and Other City Property. In addition, the Company acknowledges the City's right to require the Company to obtain permits for work in Streets, Other City Property , and Public Utility Easements.
- §3.3 Compliance with Laws. The Company shall promptly and fully comply with all laws, regulations, permits and orders lawfully enacted by the City. Nothing herein provided

shall prevent the Company from legally challenging or appealing the enactment or applicability of any laws, regulations, permits and orders enacted by the City. To the extent that the Company believes that any City regulations, permits and orders are inconsistent with Industry Standards, the City agrees to meet with the Company upon the Company's written request for consideration of the matters at issue within a reasonable period of time.

§3.4 Industry Standards. In enacting laws and regulations and issuing permits that affect the Company's access to or use of the Streets, Other City Property and Public Utility Easements, the City agrees to make good faith efforts to make its regulations and permit conditions consistent with Industry Standards to the extent practicable, and the Company agrees to make good faith efforts to advise the City of Industry Standards that affect the Company's operations within the City. Without limiting the City's police power in any way, the City will take into consideration any input from the Company on new regulations and permit conditions that the Company believes unnecessarily increase its cost of operations within the City.

ARTICLE 4 FRANCHISE FEE

§4.1 Franchise Fee.

A. Fee. In consideration for this Franchise, which provides the certain terms related to the Company's use of City Streets, Public Utility Easements and Other City Property, which are valuable public properties acquired and maintained by the City at the expense of its Residents, and in recognition of the fact that the grant to the Company of this Franchise is a valuable right, the Company shall pay the City a sum equal to three percent (3%) of all Gross Revenues. To the extent required by law, the Company shall collect this fee from a surcharge upon City Residents who are customers of the Company.

B. Obligation in Lieu of Fee. In the event that the Franchise fee specified herein is declared void for any reason by a court of competent jurisdiction, unless prohibited by law, the Company shall be obligated to pay the City, at the same times and in the same manner as provided in this Franchise, an aggregate amount equal to the amount that the Company would have paid as a Franchise fee as partial consideration for use of the City Streets, Public Utility Easements and Other City Property. Such payments shall be made in accordance with applicable provisions of law. Further, to the extent required by law, the Company shall collect the amounts agreed upon through a surcharge upon Utility Service provided to City Residents who are customers of the Company.

C. Changes in Utility Service Industries. The City and the Company recognize that utility service industries are the subject of restructuring initiatives by legislative and regulatory authorities, and are also experiencing other changes as a result of mergers, acquisitions, and reorganizations. Some of such initiatives and changes may have an adverse impact upon the Franchise fee revenues provided for herein. In recognition of the length of the term of this Franchise, the Company agrees that in the event of any such initiatives or changes and to the extent permitted by law, upon receiving a written request

from the City, the Company will cooperate with and assist the City in making reasonable modifications of this Franchise in an effort to provide that the City receives an amount in Franchise fees or some other form of compensation that is the same amount of Franchise fees paid to the City as of the date that such initiatives and changes adversely impact Franchise fee revenues.

D. Utility Service Provided to the City. No Franchise fee shall be charged to the City for Utility Service provided directly or indirectly to the City for its own consumption, including street lighting service and traffic signal lighting service, unless otherwise directed by the City in writing and in a manner consistent with Company policy.

§4.2 Remittance of Franchise Fee.

A. Remittance Schedule. Franchise fee revenues shall be remitted by the Company to the City as directed by the City in monthly installments not more than thirty (30) days following the close of each month.

B. Correction of Franchise Fee Payments. In the event that either the City or the Company discovers that there has been an error in the calculation of the Franchise fee payment to the City, either party shall provide written notice of the error to the other party. Subject to the following sentence, if the party receiving written notice of the error does not agree with the written notice of error, that party may challenge the written notice of error pursuant to Section 4.2.D of this Franchise; otherwise, the error shall be corrected in the next monthly payment. However, if the error results in an overpayment of the Franchise fee to the City, and said overpayment is in excess of Five Thousand Dollars (\$5,000.00), correction of the overpayment by the City shall take the form of a credit against future Franchise fees and shall be spread over the same period the error was undiscovered or the City shall make a refund payment to the Company. If such period would extend beyond the term of this Franchise, the Company may elect to require the City to provide it with a refund instead of a credit, with such refund to be spread over the same period the error was undiscovered, even if the refund will be paid after the termination date of this Franchise. All Franchise fee underpayments shall be corrected in the next monthly payment, together with interest computed at the rate set by the PUC for customer security deposits held by the Company, from the date when due until the date paid. Subject to the terms of the Tariffs, in no event shall either party be required to fund or refund more than five (5) years of any overpayment or underpayment made as a result of a Company error which occurred more than five (5) years prior to the discovery of the error.

C. Audit of Franchise Fee Payments.

(1) At the request of the City, every three (3) years commencing at the end of the third year of this Franchise, the Company shall conduct an internal audit, in accordance with the Company's auditing principles and policies that are applicable to electric and gas utilities that are developed in accordance with the Institute of Internal Auditors, to investigate and determine the correctness of the Franchise fee paid to the City. Such audit shall be limited to the previous three (3) calendar years. The Company

shall provide a written report to the City Clerk summarizing the audit procedures followed along with any potential findings.

(2) If the City disagrees with the results of the audit, and if the parties are not able to informally resolve their differences, the City may conduct its own audit at its own expense, in accordance with generally accepted auditing principles applicable to electric and gas utilities, and the Company shall cooperate by providing the City's auditor with non-confidential information that would be required to be disclosed under applicable state sales and use tax laws and applicable PUC rule and regulations.

(3) If the results of a City audit conducted pursuant to subsection C(2) concludes that the Company has underpaid the City by two percent (2%) or more, in addition to the obligation to pay such amounts to the City, the Company shall also pay all reasonable costs of the City's audit. The Company shall not be responsible for the costs of the City's audit when the underpayment is caused by errors from information provided by an entity certified by the Colorado Department of Revenue as a "hold harmless entity" or other similar entity recognized by the Department of Revenue.

D. Fee Disputes. Either party may challenge any written notification of error as provided for in Section 4.2.B of this Franchise by filing a written notice to the other party within thirty (30) days of receipt of the written notification of error. The written notice shall contain a summary of the facts and reasons for the party's notice. The parties shall make good faith efforts to resolve any such notice of error before initiating any formal legal proceedings for the resolution of such error.

E. Reports. To the extent allowed by law, upon written request by the City, but not more than once per year, the Company shall supply the City with the names and addresses of registered gas suppliers and brokers of natural gas that utilize Company facilities to sell or distribute natural gas in Colorado. The Company shall not be required to disclose any confidential or proprietary information.

§4.3 Franchise Fee Payment Not in Lieu of Permit or Other Fees. Payment of the Franchise fee does not exempt the Company from any other lawful tax or fee imposed generally upon persons doing business within the City, except that the Franchise fee provided for herein shall be in lieu of any occupation, occupancy or similar tax or fee for the use of City Streets, Public Utility Easements and Other City Property under the terms set forth in this Franchise.

ARTICLE 5 ADMINISTRATION OF FRANCHISE

§5.1 City Designee. The City Clerk shall designate in writing to the Company an official having full power and authority to administer this Franchise. The City Clerk may also designate one or more City representatives to act as the primary liaison with the Company as to particular matters addressed by this Franchise and shall provide the Company with the names and telephone numbers of said City representatives. The City Clerk may change these designations by providing written notice to the Company. The

City's designee shall have the right, at all reasonable times, to inspect any Company Facilities in City Streets and Other City Property.

§5.2 Company Designee. The Company shall designate a representative to act as the primary liaison with the City and shall provide the City with the name, address, and telephone number for the Company's representative under this Franchise. The Company may change its designation by providing written notice to the City. The City shall use this liaison to communicate with the Company regarding Utility Service and related service needs for City facilities.

§5.3 Coordination of Work.

A. The Company agrees to coordinate its activities in City Streets, Public Utility Easements and Other City Property with the City. The City and the Company will meet annually upon the written request of the City designee to exchange their respective short-term and long-term forecasts and/or work plans for construction and other similar work which may affect City Streets, including but not limited to any planned City Streets paving projects. The City and Company shall hold such meetings as either deems necessary to exchange additional information with a view toward coordinating their respective activities in those areas where such coordination may prove beneficial and so that the City will be assured that all applicable provisions of this Franchise, applicable building and zoning codes, and applicable City air and water pollution regulations are complied with, and that aesthetic and other relevant planning principles have been given due consideration.

B. In addition to the foregoing meetings, the Company and the City agree to use good faith efforts to provide notice to one another whenever a) the Company initiates plans to significantly upgrade its infrastructure within the City, including without limitation the replacement of utility poles and overhead lines; and b) third party applicants within the City initiate private land uses and projects or the City initiates a public project that requires significant upgrade to future gas and/or electric utility development by the Company, in order to allow for mutual City and Company input and consultation for beneficial coordination of activities.

ARTICLE 6 SUPPLY, CONSTRUCTION, AND DESIGN

§6.1 Purpose. The Company acknowledges the critical nature of the municipal services performed or provided by the City to the Residents that require the Company to provide prompt and reliable Utility Service and the performance of related services for City facilities. The City and the Company wish to provide for certain terms and conditions under which the Company will provide Utility Service and perform related services for the City in order to facilitate and enhance the operation of City facilities. They also wish to provide for other processes and procedures related to the provision of Utility Service to the City.

§6.2 Supply. Subject to the jurisdiction of the PUC, the Company shall take all reasonable and necessary steps to provide a sufficient supply of gas and electricity to Residents at the lowest reasonable cost consistent with reliable supplies.

§6.3 Charges to the City for Service to City Facilities. No charges to the City by the Company for Utility Service (other than gas transportation which shall be subject to negotiated contracts) shall exceed the lowest charge for similar service or supplies provided by the Company to any other similarly situated customer of the Company. The parties acknowledge the jurisdiction of the PUC over the Company's regulated intrastate electric and gas rates. All charges to the City shall be in accord with the Tariffs.

§6.4 Restoration of Service.

A. Notification. The Company shall provide to the City daytime and nighttime telephone numbers of a designated Company representative from whom the City designee may obtain status information from the Company on a twenty-four (24) hour basis concerning interruptions of Utility Service in any part of the City.

B. Restoration. In the event the Company's gas system or electric system within the City, or any part thereof, is partially or wholly destroyed or incapacitated, the Company shall use due diligence to restore such system to satisfactory service within the shortest practicable time, or provide a reasonable alternative to such system if the Company elects not to restore such system.

§6.5 Obligations Regarding Company Facilities.

A. Company Facilities. All Company Facilities within City Streets and Other City Property shall be maintained in good repair and condition.

B. Company Work within the City. All work within City Streets and Other City Property performed or caused to be performed by the Company shall be done:

- (1) in a high-quality manner that is in accordance with Industry Standards;
- (2) in a timely and expeditious manner;
- (3) in a manner that reasonably minimizes inconvenience to the public;
- (4) in a cost-effective manner, which may include the use of qualified contractors; and
- (5) in accordance with all applicable laws, ordinances and regulations.

C. No Interference with City Facilities. Company Facilities shall not unreasonably interfere with any City facilities, including without limitation water facilities, sanitary or storm sewer facilities, communications facilities, or other City uses of the Streets, Public Utility Easements or Other City Property. Company Facilities shall be installed and maintained in City Streets and Other City Property so as to reasonably minimize

interference with other property, trees, and other improvements and natural features in and adjoining the Streets and Other City Property in light of the Company's obligation under Colorado law to provide safe and reliable utility facilities and services.

D. Permit and Inspection. The installation, renovation, and replacement of any Company Facilities in the City Streets or Other City Property by or on behalf of the Company shall be subject to permit, inspection and approval by the City in accordance with applicable laws. Such permitting, inspection and approval may include, but shall not be limited to, the following matters: location of Company Facilities, cutting and pruning of trees and shrubs and disturbance of pavement, sidewalks and surfaces of City Streets or Other City Property; provided, however, the Company shall have the right to cut, prune, and/or remove vegetation in accordance with its standard vegetation management requirements and procedures. The Company agrees to cooperate with the City in conducting inspections and shall promptly perform any remedial action lawfully required by the City pursuant to any such inspection.

E. Compliance. Subject to the provisions of Section 3.3, the Company and all of its contractors shall comply with the requirements of applicable municipal laws, ordinances, regulations, permits, and standards lawfully adopted, including but not limited to requirements of all building and zoning codes, and requirements regarding curb and pavement cuts, excavating, digging, and other construction activities. The Company shall use commercially reasonable efforts to require that its contractors working in City Streets and Other City Property hold the necessary licenses and permits required by law.

§6.6 As-Built Drawings.

A. Within thirty (30) days after written request of the City designee, but no sooner than fourteen (14) days after project completion, the Company shall commence its internal process to permit the Company to provide, on a project by project basis, as-built drawings of any Company Facility installed within the City Streets or contiguous to the City Streets. The Company shall provide the requested documents no later than forty-five (45) days after it commences its internal process.

B. If the requested information must be limited or cannot be provided pursuant to regulatory requirements or Company Tariffs, the Company shall promptly notify the City of such restrictions. The City reserves the right to challenge the Company's position. The City acknowledges that the requested as-built drawings are confidential information of the Company and the Company asserts that disclosure to members of the public would be contrary to the public interest. Accordingly, the City shall deny the right of inspection of the Company's confidential information as set forth in C.R.S. §24-72-204(3)(a)(IV), as may be amended from time to time. If an Open Records Act request is made by any third party for confidential or proprietary information that the Company has provided to the City pursuant to this Franchise, the City will immediately notify the Company of the request and shall allow the Company to defend such request at its sole expense, including filing a legal action in any court of competent jurisdiction to prevent disclosure of such information. In any such legal action the Company shall join the person requesting the information and the City. In no circumstance shall the City provide to any third-party

confidential information provided by the Company pursuant to this Franchise without first conferring with the Company. Provided the City complies with the terms of this Section, the Company shall defend, indemnify and hold the City harmless from any claim, judgment, costs or attorney fees incurred in participating in such proceeding.

C. As used in this Section, as-built drawings refers to hard copies of the facility drawings as maintained in the Company's business records and shall not include information maintained in the Company's geographical information system. The Company shall not be required to create drawings or data that do not exist at the time of the request.

§6.7 Excavation and Construction. Subject to section 3.3, the Company shall be responsible for obtaining, paying for, and complying with all applicable permits, in the manner required by the laws, ordinances, and regulations of the City. Although the Company shall be responsible for obtaining and complying with the terms of such permits when performing Relocations requested by the City under Section 6.8 of this Franchise and undergrounding requested by the City under Article 11 of this Franchise, the City will not require the Company to pay the fees charged for such permits. Upon the Company submitting a construction design plan, the City shall promptly and fully advise the Company in writing of all requirements for restoration of City Streets in advance of Company excavation projects in City Streets, based upon the design submitted, if the City's restoration requirements are not addressed in publicly available standards.

§6.8 Restoration. Subject to the provisions of Section 6.5.D, when the Company does any work in or affecting the City Streets or Other City Property, it shall, at its own expense, promptly remove any obstructions placed thereon or therein by the Company and restore such City Streets or Other City Property to a condition that is substantially the same as existed before the work, and that meets applicable City standards. If weather or other conditions do not permit the complete restoration required by this Section, the Company may with the approval of the City, temporarily restore the affected City Streets or Other City Property, provided that such temporary restoration is not at the City's expense and provided further that the Company promptly undertakes and completes the required permanent restoration when the weather or other conditions no longer prevent such permanent restoration. Upon the request of the City, the Company shall restore the Streets or Other City Property to a better condition than existed before the Company work was undertaken, provided that the City shall be responsible for any incremental costs of such restoration not required by then-current City standards, and provided the City seeks and/or grants, as applicable, any additional required approvals. If the Company fails to promptly restore the City Streets or Other City Property as required by this Section, and if, in the reasonable discretion of the City immediate action is required for the protection of public health, safety or welfare, the City may restore such Streets or Other City Property or remove the obstruction therefrom; provided however, City actions do not interfere with Company Facilities. The Company shall be responsible for the actual cost incurred by the City to restore such City Streets or Other City Property or to remove any obstructions therefrom. In the course of its restoration of City Streets, Public Utility Easements or Other City Property under this Section, the City shall not perform work on Company Facilities unless specifically authorized by the Company in writing on

a project-by-project basis and subject to the terms and conditions agreed to in such authorization.

§6.9 Relocation of Company Facilities.

A. Relocation Obligation. The Company shall temporarily or permanently remove, relocate, change or alter the position of any Company Facility (collectively, “Relocate(s),” “Relocation(s),” or “Relocated”) in (i) City Streets, or (ii) in Other City Property at no cost or expense to the City whenever the City determines such Relocation is necessary for the completion of any Public Project. In the case of Relocation that is necessary for the completion of any Public Project in a Public Utility Easement that is not in a City Street, the Company shall not be responsible for any relocation costs. For all Relocations, the Company and the City agree to cooperate on the location and Relocation of the Company Facilities in the City Streets or Other City Property in order to achieve Relocation in the most efficient and cost-effective manner possible. Notwithstanding the foregoing, once the Company has Relocated any Company Facility at the City’s direction, if the City requests that the same Company Facility be Relocated within two (2) years, the subsequent Relocation shall not be at the Company’s expense. Nothing provided herein shall prevent the Company from recovering its Relocation costs and expenses from third parties.

B. Private Projects. Subject to Section 6.9.F, the Company shall not be responsible for the expenses of any Relocation required by Private Projects, and the Company has the right to require the payment of estimated Relocation expenses from the party causing, or responsible for, the Relocation before undertaking the Relocation.

C. Relocation Performance. The Relocations set forth in Section 6.9.A of this Franchise shall be completed within a reasonable time, not to exceed one hundred twenty (120) days from the later of the date on which the City designee requests, in writing, that the Relocation commence, or the date when the Company is provided all Supporting Documentation. The Company shall receive an extension of time to complete a Relocation where the Company’s performance was delayed due to Force Majeure or the failure of the City to provide adequate Supporting Documentation. The Company has the burden of presenting evidence to reasonably demonstrate the basis for the delay. Upon written request of the Company, the City may also grant the Company reasonable extensions of time for good cause shown and the City shall not unreasonably withhold or condition any such extension.

D. City Revision of Supporting Documentation. Any revision by the City of Supporting Documentation provided to the Company that causes the Company to substantially redesign and/or change its plans regarding Company Facility Relocation shall be deemed good cause for a reasonable extension of time to complete the Relocation under this Franchise.

E. Completion. Each such Relocation shall be complete only when the Company actually Relocates the Company Facilities, restores the Relocation site in accordance with

Section 6.7 of this Franchise or as otherwise agreed with the City, and properly abandons on site all unused Company Facilities, equipment, material and other impediments.

F. Scope of Obligation. Notwithstanding anything to the contrary in this Franchise, the Company shall not be required to Relocate any Company Facilities from property (a) owned by the Company in fee; or (b) in which the Company has a property right, grant or interest, including without limitation an easement but excluding Public Utility Easements, which are addressed in Section 6.9.A.

G. Underground Relocation. Underground Company Facilities shall be Relocated underground. Above ground Company Facilities shall be Relocated above ground unless the Company is paid for the incremental amount by which the underground cost would exceed the above ground cost of Relocation, or the City requests that such additional incremental cost be paid out of available funds under Article 11 of this Franchise.

H. Coordination.

(1) When requested in writing by the City designee or the Company, representatives of the City and the Company shall meet to share information regarding anticipated projects which will require Relocation of Company Facilities in City Streets and Other City Property. Such meetings shall be for the purpose of minimizing conflicts where possible and to facilitate coordination with any reasonable timetable established by the City for any Public Project.

(2) The City shall make reasonable best efforts to provide the Company with two (2) years advance notice of any planned Street repaving. The Company shall make reasonable best efforts to complete any necessary or anticipated repairs or upgrades to Company Facilities that are located underneath the Streets within the two-year period if practicable.

I. Proposed Alternatives or Modifications. Upon receipt of written notice of a required Relocation, the Company may propose an alternative to or modification of the Public Project requiring the Relocation in an effort to mitigate or avoid the impact of the required Relocation of Company Facilities. The City shall in good faith review the proposed alternative or modification. The acceptance of the proposed alternative or modification shall be at the discretion of the City. In the event the City accepts the proposed alternative or modification, the Company agrees to promptly compensate the City for all additional costs, expenses or delay that the City reasonably determines resulted from the implementation of the proposed alternative.

§6.10 New or Modified Service Requested by City. The conditions under which the Company shall install new or modified Utility Service to the City as a customer shall be governed by this Franchise and the Company's Tariffs and the Tariffs shall control in the event of a conflict.

§6.11 Service to New Areas. If the territorial boundaries of the City are expanded during the term of this Franchise, the Company shall, to the extent permitted by law, extend service

to Residents in the expanded area at the earliest practicable time if the expanded area is within the Company's PUC-certificated service territory. Service to the expanded area shall be in accordance with the terms of the Tariffs and this Franchise, including the payment of Franchise fees.

§6.12 City Not Required to Advance Funds. Upon receipt of the City's authorization for billing and construction, the Company shall install Company Facilities to provide Utility Service to the City as a customer, without requiring the City to advance funds prior to construction. The City shall pay for the installation of Company Facilities once completed in accordance with the Tariffs. Notwithstanding anything to the contrary, the provisions of this Section to allow the City to not advance funds prior to construction shall apply unless prohibited by PUC rules or the Tariffs. The parties agree that as of the date of execution of this Agreement, Company Tariff Sheet R120 governs the terms of installation of Company Facilities for the City and allows installation of Company Facilities without the City advancing funds prior to construction.

§6.13 Technological Improvements. The Company shall use its best efforts to incorporate, as soon as practicable, technological advances in its equipment and service within the City when such advances are technically and economically feasible and are safe and beneficial to the City and its Residents.

ARTICLE 7 **RELIABILITY**

§7.1 Reliability. The Company shall operate and maintain Company Facilities efficiently and economically, in accordance with Industry Standards, and in accordance with the standards, systems, methods and skills consistent with the provision of adequate, safe and reliable Utility Service.

§7.2 Franchise Performance Obligations. The Company recognizes that, as part of its obligations and commitments under this Franchise, the Company shall carry out each of its performance obligations in a timely, expeditious, efficient, economical and workmanlike manner.

§7.3 Reliability Reports. Upon written request, the Company shall provide the City with a report regarding the reliability of Company Facilities and Utility Service.

ARTICLE 8 **COMPANY PERFORMANCE OBLIGATIONS**

§8.1 New or Modified Service to City Facilities. In providing new or modified Utility Service to City facilities, the Company agrees to perform as follows:

A. Performance. The Company shall complete each project requested by the City within a reasonable time. Other than traffic facilities, where the Company's performance obligations are governed by Tariff, the parties agree that a reasonable time shall not

exceed one hundred eighty (180) days from the date upon which the City designee makes a written request and provides the required Supporting Documentation for all Company Facilities other than traffic facilities, including a copy to the Area Manager as designated in Section 21.4 below. Provided that the City provides the Company's designated representative with a copy of the Supporting Documentation, the Company shall notify the City within twenty (20) days of receipt of the request if the Supporting Documentation is sufficient to complete the project. The Company shall be entitled to an extension of time to complete a project where the Company's performance was delayed due to Force Majeure. Upon request of the Company, the City designee may also grant the Company reasonable extensions of time for good cause shown and the City shall not unreasonably withhold any such extension.

B. City Revision of Supporting Documentation. Any revision by the City of Supporting Documentation provided to the Company that causes the Company to substantially redesign and/or substantially change its plans regarding new or modified service to City facilities shall be deemed good cause for a reasonable extension of time to complete the Relocation under this Franchise.

C. Completion/Restoration. Each such project shall be complete only when the Company actually provides the service installation or modification required, restores the project site in accordance with the terms of this Franchise or as otherwise agreed with the City and properly abandons on site any unused Company Facilities, equipment, material and other impediments.

§8.2 Adjustments to Company Facilities. The Company shall perform adjustments to Company Facilities that are consistent with Industry Standards, including manhole rings and other appurtenances in Streets and Other City Property, to accommodate City Street maintenance, repair and paving operations at no cost to the City. In providing such adjustments to Company Facilities, the Company agrees to perform as follows:

A. Performance. The Company shall complete each requested adjustment within a reasonable time, not to exceed thirty (30) days from the date upon which the City makes a written request and provides to the Company all information reasonably necessary to perform the adjustment. The Company shall be entitled to an extension of time to complete an adjustment where the Company's performance was delayed due to Force Majeure. Upon request of the Company, the City may also grant the Company reasonable extensions of time for good cause shown and the City shall not unreasonably withhold any such extension.

B. Completion/Restoration. Each such adjustment shall be complete only when the Company actually adjusts and, if required, readjusts, Company Facilities to accommodate City operations in accordance with City instructions following City paving operations.

C. Coordination. As requested by the City or the Company, representatives of the City and the Company shall meet regarding anticipated Street maintenance operations which will require such adjustments to Company Facilities in Streets or Other City

Property. Such meetings shall be for the purpose of coordinating and facilitating performance under this Section.

§8.3 Third Party Damage Recovery.

A. Damage to Company Interests. If any individual or entity damages any Company Facilities, to the extent permitted by law the City will notify the Company of any such incident of which it has knowledge and will provide to the Company within a reasonable time all pertinent information within its possession regarding the incident and the damage, including the identity of the responsible individual or entity.

B. Damage to Company Property for which the City is Responsible. If any individual or entity damages any Company Facilities for which the City is obligated to reimburse the Company for the cost of the repair or replacement, to the extent permitted by law, the Company will notify the City of any such incident of which it has knowledge and will provide to the City within a reasonable time all pertinent information within its possession regarding the incident and the damage, including the identity of the responsible individual or entity.

C. Meeting. The Company and the City agree to meet periodically upon written request of either party for the purpose of developing, implementing, reviewing, improving and/or modifying mutually beneficial procedures and methods for the efficient gathering and transmittal of information useful in recovery efforts against third parties for damaging Company Facilities.

ARTICLE 9
BILLING AND PAYMENT

§9.1 Billing for Utility Services.

A. Monthly Billing. Unless otherwise provided in the Tariffs, the rules and regulations of the PUC, or the Public Utility Law, the Company shall render bills monthly to the offices of the City for Utility Service and other related services for which the Company is entitled to payment.

B. Address for Billing. Billings for service rendered during the preceding month shall be sent to the person(s) designated by the City and payment for same shall be made as prescribed in this Franchise and the applicable Tariffs.

C. Supporting Documents. To the extent requested by the City, the Company shall provide all billings and any underlying Supporting Documentation reasonably requested by the City in an editable and manipulatable electronic format that is acceptable to the Company and the City.

D. Annual Meetings. The Company agrees to meet with the City designee on a reasonable basis at the City's request, but no more frequently than once a year, for the purpose of developing, implementing, reviewing, and/or modifying mutually beneficial and acceptable billing procedures, methods, and formats which may include, without

limitation, electronic billing and upgrades or beneficial alternatives to the Company's current most advanced billing technology, for the efficient and cost effective rendering and processing of such billings submitted by the Company to the City.

§9.2 Payment to City. In the event the City determines after written notice to the Company that the Company is liable to the City for payments, costs, expenses or damages of any nature, and subject to the Company's right to challenge such determination, the City may deduct all monies due and owing the City from any other amounts currently due and owing the Company. Upon receipt of such written notice, the Company may request a meeting between the Company's designee and a designee of the City to discuss such determination. The City agrees to attend such a meeting. As an alternative to such deduction and subject to the Company's right to challenge, the City may bill the Company for such assessment(s), in which case, the Company shall pay each such bill within thirty (30) days of the date of receipt of such bill unless it challenges the validity of the charge. If the Company challenges the City determination of liability, the City shall make such payments to the Company for Utility Service received by the City pursuant to the Tariffs until the challenge has been finally resolved.

ARTICLE 10 USE OF COMPANY FACILITIES

§10.1 City Use of Company Electric Distribution Poles. The City shall be permitted to make use of Company electric distribution poles in the City, subject to the Tariffs, without a use fee for the placement of City equipment or facilities necessary to serve a legitimate police, fire, emergency, public safety or traffic control purpose. The City shall notify the Company in advance and in writing of its intent to use Company distribution poles and the nature of such use unless it is impracticable to provide such advance notice because of emergency circumstances, in which event the City shall provide such notice as soon as practicable. The City shall be responsible for costs associated with modifications to Company electric distribution poles to accommodate the City's use of such Company electric distribution poles and for any electricity used. No such use of Company electric distribution poles may occur if it would constitute a safety hazard or would interfere with the Company's use of Company Facilities. Any such City use must comply with the National Electric Safety Code and all other applicable laws, rules, regulations and Industry Standards.

§10.2 Third Party Use of Company Electric Distribution Poles. If requested in writing by the City, the Company may allow other companies who hold franchises, or otherwise have obtained consent from the City to use the Streets, to utilize Company electric distribution poles in City Streets and Other City Property, subject to the Tariffs, for the placement of their facilities upon approval by the Company and agreement upon reasonable terms and conditions, including payment of fees established by the Company. No such use shall be permitted if it would constitute a safety hazard or would interfere with the Company's use of Company Facilities. The Company shall not be required to permit the use of Company electric distribution poles for the provision of utility service except as otherwise required by law.

§10.3 City Use of Company Transmission Rights-of-Way. The Company shall offer to grant to the City use of transmission rights-of-way which it now, or in the future, owns in fee within the City for trails, parks and open space on terms comparable to those offered to other municipalities; provided, however, that the Company shall not be required to make such an offer in any circumstance where such use would constitute a safety hazard or would interfere with the Company's use of the transmission right-of-way. In order to exercise this right, the City must make specific, advance written request to the Company for any such use and must enter such written agreements as the Company may reasonably require.

§10.4 Emergencies. Upon written request, the Company shall assist the City in developing an emergency management plan that is consistent with Company policies. The City and the Company shall work cooperatively with each other in any emergency or disaster situation to address the emergency or disaster.

ARTICLE 11 UNDERGROUNDING OF OVERHEAD FACILITIES

§11.1 Underground Electrical Lines in New Areas. Upon payment to the Company of the charges provided in the Tariffs or their equivalent, the Company shall place all newly constructed electrical distribution lines in newly developed areas of the City underground in accordance with applicable laws, regulations and orders of the City. Such underground construction shall be consistent with Industry Standards.

§11.2 Underground Conversion at Expense of Company.

A. Underground Conversion Program. The Company shall budget and allocate an annual amount, equivalent to one percent (1%) of the preceding year's Electric Gross Revenues, for the purpose of undergrounding its existing overhead electric distribution lines in the City in City Streets (excluding alleys and access easements) and Other City Property, as may be requested by the City designee (the "Underground Program"), so long as the underground conversion does not result in end use customers of the Company incurring any costs related to the conversion and does not require the Company to obtain any additional land use rights. If the City requires Relocation of overhead electric lines in the Streets and Other City Property and there is no room to relocate the lines overhead, the Company may relocate the lines underground, and may charge the cost of undergrounding to the Underground Program.

B. Unexpended Portion and Advances. Any unexpended portion of the Underground Program shall be carried over to succeeding years and, in addition, upon request by the City, the Company agrees to advance and expend amounts anticipated to be available under the preceding paragraph for up to three (3) years in advance provided there are at least three (3) years remaining under the term of this Franchise. Any amounts so advanced shall be credited against amounts to be expended in succeeding years. Any funds left accumulated under any prior franchise shall be carried over to this Franchise. Notwithstanding the foregoing, the City shall have no vested interest in monies allocated to the Underground Program and any monies in the Underground Program not expended

at the expiration or termination of this Franchise shall remain the property of the Company. At the expiration or termination of this Franchise, the Company shall not be required to underground any existing overhead facilities pursuant to this Article, but may do so in its sole discretion.

C. System-wide Undergrounding. If, during the term of this Franchise, the Company should receive authority from the PUC to undertake a system-wide program or programs of undergrounding its electric distribution lines system wide, the Company will budget and allocate to the program of undergrounding in the City such amount as may be determined and approved by the PUC, but in no case shall such amount be less than the one percent (1%) of annual Electric Gross Revenues provided above.

D. City Requirement to Underground. In addition to the provisions of this Article, the City may require any above ground Company lines in Streets and Other City Property to be moved underground at the City's expense.

§11.3 Undergrounding Performance. Upon receipt of a written request from the City, the Company shall underground Company Facilities pursuant to the provisions of this Article, in accordance with the procedures set forth in this Section.

A. Estimates. Promptly upon receipt of an undergrounding request from the City and the Supporting Documentation necessary for the Company to design the undergrounding project, including a copy to the Area Manager as designated in Section 21.4 below, the Company shall prepare a detailed, good faith cost estimate of the anticipated actual cost of the requested project for the City to review and, if acceptable to the City, the City will issue a project authorization. The Company shall notify the City within twenty (20) days of receipt of the request if the Supporting Documentation is insufficient to prepare the cost estimate for the project. The City and the Company agree to meet upon the request of either party during the period when the Company is preparing its estimate to discuss all aspects of the project toward the goal of enabling the Company to prepare an accurate cost estimate. At the City's request, the Company will provide all documentation that forms the basis of the estimate that is not proprietary. The Company will not proceed with any requested project until the City has provided a written acceptance of the Company's estimate.

B. Performance. The Company shall complete each undergrounding project requested by the City within a reasonable time considering the size and scope of each project, not to exceed two hundred forty (240) days from the later of the date upon which the City designee makes a written request or the date the City provides to the Company all Supporting Documentation. The Company shall have one hundred twenty (120) days after receiving the City's written request to design project plans, prepare the good faith estimate, and transmit same to the City designee for review. If City approval of the plans and estimate has not been granted, the Company's good faith estimate will be void sixty (60) days after delivery of the plans and estimate to the City designee. If the plans and estimate are approved by the City, the Company shall have one hundred twenty (120) days to complete the project, from the date of the City designee's authorization of the underground project, plus any of the one hundred twenty (120) unused days in preparing

the good faith estimate. At the Company's sole discretion, if the good faith estimate has expired because the City designee has not approved the same within sixty (60) days, the Company may extend the good faith estimate or prepare a new estimate using current prices. The Company shall be entitled to an extension of time to complete each undergrounding project where the Company's performance was delayed due to a Force Majeure condition. Upon written request of the Company, the City may also grant the Company reasonable extensions of time for good cause shown and the City shall not unreasonably withhold any such extension.

C. City Revision of Supporting Documentation. Any revision by the City of Supporting Documentation provided to the Company that causes the Company to substantially redesign and/or change its plans regarding an undergrounding project shall be deemed good cause for a reasonable extension of time to complete the undergrounding project under this Franchise.

D. Completion/Restoration. Each such undergrounding project undertaken pursuant to this Article shall be complete only when the Company actually undergrounds the designated Company Facilities and restores the undergrounding site in accordance with Section 6.7 of this Franchise, or as otherwise agreed with the City. "Unused" for the purposes of this Section shall mean that the Company is no longer using the Company facilities in question and has no plans to use the Company Facilities in the foreseeable future. When performing underground conversions of overhead lines, the Company shall make reasonable efforts consistent with its contractual obligations to persuade joint users of Company distribution poles to remove their facilities from such poles within the time allowed by this Article.

E. Report of Actual Costs. Upon completion of each undergrounding project undertaken pursuant to this Article, the Company shall submit to the City a detailed report of the Company's actual cost to complete the project and the Company shall reconcile this total actual cost with the accepted cost estimate. The report shall be provided within one hundred twenty (120) days after completion of the project and written request from the City.

F. Audit of Underground Projects. The City may require the Company to undertake an independent audit of up to two (2) undergrounding projects in any calendar year. The City shall make any such request in writing within one hundred twenty (120) days of receipt of the report of actual costs, as referenced in Section 11.3.E. Such audits shall be limited to projects completed within twelve (12) months prior to the date when the audit is requested. The cost of any such independent audit shall reduce the amount of the Underground Program balance. The Company shall cooperate with any audit and the independent auditor shall prepare and provide to the City and the Company a final audit report showing the actual costs associated with completion of the project. If a project audit is required by the City, only those actual project costs confirmed and verified by the independent auditor as reasonable and necessary to complete the project shall be charged against the Underground Program balance.

§11.4 Audit of Underground Program. Upon written request, every three (3) years commencing at the end of the third year of this Franchise, the Company shall cause an independent auditor to investigate and determine the correctness of the charges to the Underground Program. Such audits shall be limited to the previous three (3) calendar years. Audits performed pursuant to this Section shall be limited to charges to the Underground Program and shall not include an audit of individual underground projects. If the City has concerns about any material information contained in the audit, the parties shall meet and make good faith attempts to resolve any outstanding issues. The independent auditor shall provide to the City and the Company a written report containing its findings. The Company shall reconcile the Underground Program balance consistent with the findings contained in the independent auditor's written report. The costs of the audit and investigation shall be charged against the Underground Program balance.

§11.5 Cooperation with Other Utilities. When undertaking an undergrounding project the City and the Company shall coordinate with other utilities or companies that have their facilities above ground to attempt to have all facilities undergrounded as part of the same project. When other utilities or companies are placing their facilities underground, to the extent the Company has received prior written notification, the Company shall cooperate with these utilities and companies and undertake to underground Company facilities as part of the same project where financially, technically and operationally feasible. The Company shall not be required to pay for any costs of undergrounding the facilities of other companies or the City.

§11.6 Planning and Coordination of Undergrounding Projects. The City and the Company shall mutually plan in advance the scheduling of undergrounding projects to be undertaken according to this Article as a part of the review and planning for other City and Company construction projects. The City and the Company agree to meet, as required, to review the progress of the current undergrounding projects and to review planned future undergrounding projects. The purpose of such meetings shall be to further cooperation between the City and the Company in order to achieve the orderly undergrounding of Company overhead lines. Representatives of both the City and the Company shall meet periodically to review the Company's undergrounding of Company overhead lines and at such meetings shall review:

- A. Undergrounding, including conversions, Public Projects and replacements that have been accomplished or are underway, together with the Company's plans for additional undergrounding; and
- B. Public Projects anticipated by the City.

ARTICLE 12
PURCHASE OR CONDEMNATION

§12.1 Municipal Right to Purchase or Condemn.

A. Right and Privilege of City. The right and privilege of the City to construct, own and operate a municipal utility, and to purchase pursuant to a mutually acceptable agreement or condemn any Company Facilities located within the territorial boundaries of the City, and the Company's rights in connection therewith, as set forth in applicable provisions of the constitution, statutes and case law of the State of Colorado relating to the acquisition of public utilities, are expressly recognized. The City shall have the right, within the time frames and in accordance with the procedures set forth in such provisions, to condemn Company Facilities, land, rights-of-way and easements now owned or to be owned by the Company located within the territorial boundaries of the City. In the event of any such condemnation, no value shall be ascribed or given to the right to use City Streets or Other City Property granted under this Franchise in the valuation of the property thus sold.

B. Notice of Intent to Purchase or Condemn. The City shall provide the Company no less than one (1) year's prior written notice of its intent to purchase or condemn Company Facilities. Nothing in this Section shall be deemed or construed to constitute a consent by the Company to the City's purchase or condemnation of Company Facilities, nor a waiver of any Company defenses or challenges related thereto.

ARTICLE 13
MUNICIPALLY PRODUCED UTILITY SERVICE

§13.1 Municipally Produced Utility Service.

A. City Reservation. The City expressly reserves the right to engage in the production of utility service to the extent permitted by law. The Company agrees to negotiate in good faith long term contracts to purchase City-generated power made available for sale, consistent with PUC requirements and other applicable requirements. The Company further agrees to offer transmission and delivery services to the City that are required by judicial, statutory and/or regulatory directive and that are comparable to the services offered to any other customer with similar generation facilities.

B. Franchise Not to Limit City's or Company's Rights. Nothing in this Franchise prohibits the City from becoming an aggregator of utility service or from selling utility service to customers should it be permissible under law, nor does it affect the Company's rights and obligations pursuant to any Certificate of Public Convenience and Necessity granted by the PUC.

ARTICLE 14
ENVIRONMENT AND CONSERVATION

§14.1 Environmental Leadership. The City and the Company agree that sustainable development, environmental excellence and innovation shall form the foundation of the Utility Service provided by the Company under this Franchise. The Company agrees to continue to actively pursue reduction of carbon emissions attributable to its electric generation facilities with a rigorous combination of Energy Conservation and Energy Efficiency measures, Clean Energy measures and promoting and implementing the use of Renewable Energy Resources on both a distributed and centralized basis. The Company shall continue to cost-effectively monitor its operations to mitigate environmental impacts; shall meet the requirements of environmental laws, regulations and permits; shall invest in cost-effective, environmentally sound technologies; shall consider environmental issues in its planning and decision making; and shall support environmental research and development projects and partnerships in our communities through various means, including but not limited to corporate giving and employee involvement. The Company shall continue to explore ways to reduce water consumption at its facilities and to use recycled water where feasible. The Company shall continue to work with the U.S. Fish and Wildlife Service to develop and implement avian protection plans to reduce electrocution and collision risks by eagles, raptors and other migratory birds with transmission and distribution lines. If requested in writing by the City on or before December 1st of each year, the Company shall provide the City a written report describing its progress in carbon reduction and other environmental efforts, and the parties shall meet at a mutually convenient time and place for a discussion of such. In meeting its obligation under this Section, the Company is not precluded from providing existing internal and external reports that may be used for other reporting requirements.

§14.2 Conservation. The City and the Company recognize and agree that Energy Conservation programs offer opportunities for the efficient use of energy and possible reduction of energy costs. The City and the Company further recognize that creative and effective Energy Conservation solutions are crucial to sustainable development. The Company recognizes and shares the City's stated objectives to advance the implementation of cost-effective Energy Efficiency and Energy Conservation programs that direct opportunities to Residents to manage more efficiently their use of energy and thereby create the opportunity to reduce their energy bills. The Company commits to offer programs that attempt to capture market opportunities for cost-effective Energy Efficiency improvements such as municipal specific programs that provide cash rebates for efficient lighting, energy design programs to assist architects and engineers to incorporate Energy Efficiency in new construction projects, and recommissioning programs to analyze existing systems to optimize performance and conserve energy according to current and future demand side management ("DSM") programs. In doing so, the Company recognizes the importance of (i) implementing cost-effective programs the benefits of which would otherwise be lost if not pursued in a timely fashion; and (ii) developing cost-effective programs for the various classes of the Company's customers, including low-income customers. The Company shall advise the City and its Residents of the availability of assistance that the Company makes available for investments in

Energy Conservation through newspaper advertisements, bill inserts and Energy Efficiency workshops and by maintaining information about these programs on the Company's website. Further, at the City's request, the Company's Area Manager shall act as the primary liaison with the City who will provide the City with information on how the City may take advantage of reducing energy consumption in City facilities and how the City may participate in Energy Conservation and Energy Efficiency programs sponsored by the Company. As such, the Company and the City commit to work cooperatively and collaboratively to identify, develop, implement and support programs offering creative and sustainable opportunities to Company customers and Residents, including low-income customers. The Company agrees to help the City participate in Company programs and, when opportunities exist to partner with others, such as the State of Colorado, the Company will help the City pursue those opportunities. In addition, and in order to assist the City and its Residents' participation in Renewable Energy Resource programs, the Company shall: notify the City regarding eligible Renewable Energy Resource programs; provide the City with technical support regarding how the City may participate in Renewable Energy Resource programs; and advise Residents regarding eligible Renewable Energy Resource programs. Notwithstanding the foregoing, to the extent that any Company assistance is needed to support Renewable Energy Resource Programs that are solely for the benefit of Company customers located within the City, the Company retains the sole discretion as to whether to incur such costs.

§14.3 Continuing Commitment. It is the express intention of the City and the Company that the collaborative effort provided for in this Article continue for the entire term of this Franchise. The City and the Company also recognize, however, that the programs identified in this Article may be for a limited duration and that the regulations and technologies associated with Energy Conservation are subject to change. Given this variability, the Company agrees to maintain its commitment to sustainable development and Energy Conservation for the term of this Franchise by continuing to provide leadership, support and assistance, in collaboration with the City, to identify, develop, implement and maintain new and creative programs similar to the programs identified in this Franchise in order to help the City achieve its environmental goals.

§14.4 PUC Approval. Nothing in this Article shall be deemed to require the Company to invest in technologies or to incur costs that it has a good faith belief the PUC will not allow the Company to recover through the ratemaking process.

ARTICLE 15 TRANSFER OF FRANCHISE

§15.1 Consent of City Required. The Company shall not transfer or assign any rights under this Franchise to an unaffiliated third party, except by merger with such third party, or, except when the transfer is made in response to legislation or regulatory requirements, unless the City approves such transfer or assignment in writing. The City may impose reasonable conditions upon the transfer, but Approval of the transfer or assignment shall not be unreasonably withheld, conditioned or delayed.

§15.2 Transfer Fee. In order that the City may share in the value this Franchise adds to the Company's operations, any transfer or assignment of rights granted under this Franchise requiring City approval, as set forth herein, shall be subject to the condition that the Company shall promptly pay to the City a transfer fee in an amount equal to the proportion of the City's then-population provided Utility Service by the Company to the then-population of the City and County of Denver provided Utility Service by the Company multiplied by one million dollars (\$1,000,000.00). Except as otherwise required by law, such transfer fee shall not be recovered from a surcharge placed only on the rates of Residents.

ARTICLE 16
CONTINUATION OF UTILITY SERVICE

§16.1 Continuation of Utility Service. In the event this Franchise is not renewed at the expiration of its term or is terminated for any reason, and the City has not provided for alternative utility service, the Company shall have no obligation to remove any Company Facilities from Streets, Public Utility Easements or Other City Property or discontinue providing Utility Service unless otherwise ordered by the PUC, and shall continue to provide Utility Service within the City until the City arranges for utility service from another provider. The City acknowledges and agrees that the Company has the right to use Streets, Other City Property and Public Utility Easements during any such period. The Company further agrees that it will not withhold any temporary Utility Services necessary to protect the public. The City agrees that in the circumstances of this Article, the Company shall be entitled to monetary compensation as provided in the Tariffs and the Company shall be entitled to collect from Residents and, upon the City's compliance with applicable provisions of law, shall be obligated to pay the City, at the same times and in the same manner as provided in this Franchise, an aggregate amount equal to the amount which the Company would have paid as a Franchise fee as consideration for use of the City's Streets and Other City Property. Only upon receipt of written notice from the City stating that the City has adequate alternative utility service for Residents and upon order of the PUC shall the Company be allowed to discontinue the provision of Utility Service to the City and its Residents.

ARTICLE 17
INDEMNIFICATION AND IMMUNITY

§17.1 City Held Harmless. The Company shall indemnify, defend and hold the City harmless from and against claims, demands, liens and all liability or damage of whatsoever kind on account of or directly arising from the grant of this Franchise, the exercise by the Company of the related rights, but in both instances only to the extent caused by the Company, and shall pay the costs of defense plus reasonable attorneys' fees. The City shall (a) give prompt written notice to the Company of any claim, demand or lien with respect to which the City seeks indemnification hereunder; and, (b) unless in the City's judgment a conflict of interest may exist between the City and the Company with respect to such claim, demand or lien, shall permit the Company to assume the defense of such claim, demand, or lien with counsel reasonably satisfactory to the City. If such defense is assumed by the Company, the Company shall not be subject to liability

for any settlement made without its consent. If such defense is not assumed by the Company or if the City determines that a conflict of interest exists, the parties reserve all rights to seek all remedies available in this Franchise against each other. Notwithstanding any provision hereof to the contrary, the Company shall not be obligated to indemnify, defend or hold the City harmless to the extent any claim, demand or lien arises out of or in connection with any negligent or intentional act or failure to act of the City or any of its officers, agents or employees or to the extent that the City is acting in its capacity as a customer of record of the Company.

§17.2 Immunity. Nothing in this Section or any other provision of this Franchise shall be construed as a waiver of the notice requirements, defenses, immunities and limitations the City may have under the Colorado Governmental Immunity Act (§24-10-101, C.R.S., *et. seq.*) or of any other defenses, immunities, or limitations of liability available to the City by law.

ARTICLE 18 BREACH

§18.1 Change of Tariffs. The City and the Company agree to take all reasonable and necessary actions to assure that the terms of this Franchise are performed. The Company reserves the right to seek a change in its Tariffs, including but not limited to the rates, charges, terms, and conditions of providing Utility Service to the City and its Residents, and the City retains all rights that it may have to intervene and participate in any such proceedings.

§18.2 Breach.

A. Notice/Cure/Remedies. Except as otherwise provided in this Franchise, if a party (the “Breaching Party”) to this Franchise fails or refuses to perform any of the terms or conditions of this Franchise (a “Breach”), the other party (the “Non-Breaching Party”) may provide written notice to the Breaching Party of such Breach. Upon receipt of such notice, the Breaching Party shall be given a reasonable time, not to exceed thirty (30) days in which to remedy the Breach or, if such Breach cannot be remedied in thirty (30) days, such additional time as reasonably needed to remedy the Breach, but not exceeding an additional thirty (30) day period, or such other time as the parties may agree. If the Breaching Party does not remedy the Breach within the time allowed in the notice, the Non-Breaching Party may exercise the following remedies for such Breach:

(1) specific performance of the applicable term or condition to the extent allowed by law; and

(2) recovery of actual damages from the date of such Breach incurred by the Non-Breaching Party in connection with the Breach, but excluding any special, punitive or consequential damages.

B. Termination of Franchise by City. In addition to the foregoing remedies, if the Company fails or refuses to perform any material term or condition of this Franchise (a “Material Breach”), the City may provide written notice to the Company of such Material Breach. Upon receipt of such notice, the Company shall be given a reasonable time, not to exceed sixty (60) days in which to remedy the Material Breach or, if such Material Breach cannot be remedied in sixty (60) days, such additional time as reasonably needed to remedy the Material Breach, but not exceeding an additional sixty (60) day period, or such other time as the parties may agree. If the Company does not remedy the Material Breach within the time allowed in the notice, the City may, in its sole discretion, terminate this Franchise. This remedy shall be in addition to the City’s right to exercise any of the remedies provided for elsewhere in this Franchise. Upon such termination, the Company shall continue to provide Utility Service to the City and its Residents (and shall continue to have associated rights and grants needed to provide such service) until the City makes alternative arrangements for such service and until otherwise ordered by the PUC and the Company shall be entitled to collect from Residents and, upon the City complying with applicable provisions of law, shall be obligated to pay the City, at the same times and in the same manner as provided in this Franchise, an aggregate amount equal to the amount which the Company would have paid as a franchise fee as consideration for use of the City Streets and Other City Property. Unless otherwise provided by law, the Company shall be entitled to collect such amount from Residents.

C. Company Shall Not Terminate Franchise. In no event does the Company have the right to terminate this Franchise.

D. No Limitation. Except as provided herein, nothing in this Franchise shall limit or restrict any legal rights or remedies that either party may possess arising from any alleged Breach of this Franchise.

ARTICLE 19 AMENDMENTS

§19.1 Proposed Amendments. At any time during the term of this Franchise, the City or the Company may propose amendments to this Franchise by giving thirty (30) days written notice to the other of the proposed amendment(s) desired, and both parties thereafter, through their designated representatives, will, within a reasonable time, negotiate in good faith in an effort to agree upon mutually satisfactory amendment(s). However, nothing contained in this Section shall be deemed to require either party to consent to any amendment proposed by the other party.

§19.2 Effective Amendments. No alterations, amendments or modifications to this Franchise shall be valid unless executed in writing by the parties, which alterations, amendments or modifications shall be adopted with the same formality used in adopting this Franchise, to the extent required by law. Neither this Franchise, nor any term herein, may be changed, modified or abandoned, in whole or in part, except by an instrument in writing, and no subsequent oral agreement shall have any validity whatsoever. Any amendment of the Franchise shall become effective only upon the approval of the PUC, if such PUC approval is required.

ARTICLE 20
EQUAL OPPORTUNITY

§20.1 Economic Development. The Company is committed to the principle of stimulating, cultivating and strengthening the participation and representation of persons of color, women and members of other under-represented groups within the Company and in the local business community. The Company believes that increased participation and representation of under-represented groups will lead to mutual and sustainable benefits for the local economy. The Company is committed also to the principle that the success and economic well-being of the Company is closely tied to the economic strength and vitality of the diverse communities and people it serves. The Company believes that contributing to the development of a viable and sustainable economic base among all Company customers is in the best interests of the Company and its shareholders.

§20.2 Employment.

A. Programs. The Company is committed to undertaking programs that identify, consider and develop persons of color, women and members of other under-represented groups for positions at all skill and management levels within the Company.

B. Businesses. The Company recognizes that the City and the business community in the City, including women and minority owned businesses, provide a valuable resource in assisting the Company to develop programs to promote persons of color, women and members of under-represented communities into management positions, and agrees to keep the City regularly advised of the Company's progress by providing the City a copy of the Company's annual affirmative action report upon the City's written request.

C. Recruitment. In order to enhance the diversity of the employees of the Company, the Company is committed to recruiting diverse employees by strategies such as partnering with colleges, universities and technical schools with diverse student populations, utilizing diversity-specific media to advertise employment opportunities, internships, and engaging recruiting firms with diversity-specific expertise.

D. Advancement. The Company is committed to developing a world-class workforce through the advancement of its employees, including persons of color, women and members of under-represented groups. In order to enhance opportunities for advancement, the Company will offer training and development opportunities for its employees. Such programs may include mentoring programs, training programs, classroom training and leadership programs.

E. Non-Discrimination. The Company is committed to a workplace free of discrimination based on race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability or any other protected status in accordance with all federal, state or local laws. The Company shall not, solely because of race, creed, color, religion, gender, sexual orientation, marital status, age, military status, national origin or ancestry, or physical or mental disability, refuse to hire,

discharge, promote, demote or discriminate in matters of compensation, against any person otherwise qualified.

F. Board of Directors. The Company shall identify and consider women, persons of color and other under-represented groups to recommend for its Board of Directors, consistent with the responsibility of boards to represent the interests of the Shareholders, customers and employees of the Company.

§20.3 Contracting.

A. Contracts. It is the Company's policy to make available to minority and women owned business enterprises and other small and/or disadvantaged business enterprises the maximum practical opportunity to compete with other service providers, contractors, vendors and suppliers in the marketplace. The Company is committed to increasing the proportion of Company contracts awarded to minority and women owned business enterprises and other small and/or disadvantaged business enterprises for services, construction, equipment and supplies to the maximum extent consistent with the efficient and economical operation of the Company.

B. Community Outreach. The Company agrees to maintain and continuously develop contracting and community outreach programs calculated to enhance opportunity and increase the participation of minority and women owned business enterprises and other small and/or disadvantaged business enterprises to encourage economic vitality. The Company agrees to keep the City regularly advised of the Company's programs.

C. Community Development. The Company shall maintain and support partnerships with local chambers of commerce and business organizations, including those representing predominately minority owned, women owned and disadvantaged businesses, to preserve and strengthen open communication channels and enhance opportunities for minority owned, women owned and disadvantaged businesses to contract with the Company.

§20.4 Coordination. City agencies provide collaborative leadership and mutual opportunities or programs relating to City based initiatives on economic development, employment and contracting opportunity. The Company agrees to review Company programs and mutual opportunities responsive to this Article with these agencies, upon their request, and to collaborate on best practices regarding such programs and coordinate and cooperate with the agencies in program implementation.

ARTICLE 21 MISCELLANEOUS

§21.1 No Waiver. Neither the City nor the Company shall be excused from complying with any of the terms and conditions of this Franchise by any failure of the other, or any of its officers, employees, or agents, upon any one or more occasions, to insist upon or to seek compliance with any such terms and conditions.

§21.2 Successors and Assigns. The rights, privileges, and obligations, in whole or in part, granted and contained in this Franchise shall inure to the benefit of and be binding upon the Company, its successors and assigns, to the extent that such successors or assigns have succeeded to or been assigned the rights of the Company pursuant to Article 15 of this Franchise. Upon a transfer or assignment pursuant to Article 15, the Company shall be relieved from all liability from and after the date of such transfer, except as otherwise provided in the conditions imposed by the City in authorizing the transfer or assignment and under state and federal law.

§21.3 Third Parties. Nothing contained in this Franchise shall be construed to provide rights to third parties.

§21.4 Notice. Both parties shall designate from time to time in writing representatives for the Company and the City who will be the persons to whom notices shall be sent regarding any action to be taken under this Franchise. Notice shall be in writing and forwarded by certified mail, reputable overnight courier or hand delivery to the persons and addresses as hereinafter stated, unless the persons and addresses are changed at the written request of either party, delivered in person or by certified mail. Notice shall be deemed received (a) three (3) days after being mailed via the U.S. Postal Service, (b) one (1) business day after mailed if via reputable overnight courier, or (c) upon hand delivery if delivered by courier. Until any such change shall hereafter be made, notices shall be sent as follows:

To the City:

City Clerk
City of Lone Tree
9220 Kimmer Drive, Suite 100
Lone Tree, Colorado 80124

To the Company:

Regional Vice President, Customer and Community Relations
Public Service Company of Colorado
P.O. Box 840
Denver, Colorado 80201

With a copy to:

Legal Department
Public Service Company of Colorado
P.O. Box 840
Denver, Colorado 80201

and

Area Manager
Public Service Company of Colorado
P.O. Box 840
Denver, Colorado 80201

Any request involving any audit specifically allowed under this Franchise shall also be sent to:

Audit Services
Public Service Company of Colorado
P.O. Box 840
Denver, Colorado 80201

§21.5 Examination of Records. The parties agree that any duly authorized representative of the City shall have access to and the right to examine any books, documents, papers, and records of the Company reasonably related to the Company's compliance with the terms and conditions of this Franchise. Information shall be provided within thirty (30) days of any written request. Any books, documents, papers, and records of the Company in any form that are requested by the City, that contain confidential information shall be conspicuously identified as "confidential" or "proprietary" by the Company. In no case shall any privileged communication be subject to examination by the City pursuant to the terms of this Section. "Privileged Communication" means any communication that would not be discoverable due to the attorney client privilege or any other privilege that is generally recognized in Colorado, including but limited to the work product doctrine. The work product doctrine shall include information developed by the Company in preparation for PUC proceedings.

- (1) The City will maintain the confidentiality of the information by keeping it under seal and segregated from information and documents that are available to the public;
- (2) The information shall be used solely for the purpose of determining the Company's compliance with the terms and conditions of this Franchise;
- (3) The information shall only be made available to City employees and consultants who represent in writing that they agree to be bound by the provisions of this subsection;
- (4) The information shall be held by the City for such time as is reasonably necessary for the City to address the Franchise issue(s) that generated the request, and shall be returned to the Company when the City has concluded its use of the information. The parties agree that in most cases, the information should be returned within one hundred twenty (120) days. However, in the event that the information is needed in connection with any action that requires more time, including, but not necessarily limited to litigation, administrative proceedings and/or other disputes, the City

may maintain the information until such issues are fully and finally concluded.

§21.6 Confidential or Proprietary Information. If an Open Records Act (§§24-72-201 *et seq.* C.R.S.) request is made by any third party for confidential or proprietary information that the Company has provided to the City pursuant to this Franchise, the City will promptly notify the Company of the request and shall allow the Company to defend such request at its sole expense, including filing a legal action in any court of competent jurisdiction to prevent disclosure of such information. In any such legal action the Company shall join the person requesting the information and the City. In no circumstance shall the City provide to any third party confidential information provided by the Company pursuant to this Franchise without first conferring with the Company. The Company shall defend, indemnify and hold the City harmless from any claim, judgment, costs or attorney fees incurred in participating in such proceeding. Unless otherwise agreed between the parties, the following information shall not be provided by the Company: confidential employment matters, specific information regarding any of the Company's customers, information related to the compromise and settlement of disputed claims including but not limited to PUC dockets, information provided to the Company which is declared by the provider to be confidential, and which would be considered confidential to the provider under applicable law.

§21.7 List of Utility Property. The Company shall provide the City, upon request not more than once every two (2) years, a list of electric utility-related real property owned in fee by the Company within the County in which the City is located. The list shall include the legal description of the real property, and where available on the deed, the physical street address. If the physical address is not available on the deed, if the City requests the physical address of the real property described in this Section 21.6, to the extent that such physical street address is readily available to the Company, the Company shall provide such address to the City. All such records must be kept for a minimum of three (3) years or such shorter duration if required by Company policy.

§21.8 PUC Filings. Upon written request by the City, the Company shall provide the City non-confidential copies of all applications, advice letters and periodic reports, together with any accompanying non-confidential testimony and exhibits, filed by the Company with the Public Utilities Commission. Notwithstanding the foregoing, notice regarding any gas and electric filings that may affect Utility Service rates in the City shall be sent to the City upon filing.

§21.9 Information. Upon written request, the Company shall provide the City Clerk or the City Clerk's designee with:

- A. A copy of the Company's or its parent company's consolidated annual financial report, or alternatively, a URL link to a location where the same information is available on the Company's website;

B. Maps or schematics indicating the location of specific Company Facilities (subject to City executing a confidentiality agreement as required by Company policy), including gas or electric lines, located within the City, to the extent those maps or schematics are in existence at the time of the request and related to an ongoing project within the City. The Company does not represent or warrant the accuracy of any such maps or schematics; and

C. A copy of any report required to be prepared for a federal or state agency detailing the Company's efforts to comply with federal and state air and water pollution laws.

§21.10 Payment of Taxes and Fees.

A. Impositions. Except as otherwise provided herein, the Company shall pay and discharge as they become due, promptly and before delinquency, all taxes, assessments, rates, charges, license fees, municipal liens, levies, excises, or imposts, whether general or special, or ordinary or extraordinary, of every name, nature, and kind whatsoever, including all governmental charges of whatsoever name, nature, or kind, which may be levied, assessed, charged, or imposed, or which may become a lien or charge against this Franchise ("Impositions"), provided that the Company shall have the right to contest any such Impositions and shall not be in breach of this Section so long as it is actively contesting such Impositions.

B. City Liability. The City shall not be liable for the payment of late charges, interest or penalties of any nature other than pursuant to applicable Tariffs.

§21.11 Conflict of Interest. The parties agree that no official, officer or employee of the City shall have any personal or beneficial interest whatsoever in the services or property described herein and the Company further agrees not to hire or contract for services any official, officer or employee of the City to the extent prohibited by law, including ordinances and regulations of the City.

§21.12 Certificate of Public Convenience and Necessity. The City agrees to support the Company's application to the PUC to obtain a Certificate of Public Convenience and Necessity to exercise its rights and obligations under this Franchise.

§21.13 Authority. Each party represents and warrants that except as set forth below, it has taken all actions that are necessary or that are required by its ordinances, regulations, procedures, bylaws, or applicable law, to legally authorize the undersigned signatories to execute this Franchise on behalf of the parties and to bind the parties to its terms. The persons executing this Franchise on behalf of each of the parties warrant that they have full authorization to execute this Franchise. The City acknowledges that notwithstanding the foregoing, the Company requires a Certificate of Public Convenience and Necessity from the PUC in order to operate under the terms of this Franchise.

- §21.14 Severability. Should any one or more provisions of this Franchise be determined to be unconstitutional, illegal, unenforceable or otherwise void, all other provisions nevertheless shall remain effective; provided, however, to the extent allowed by law, the parties shall forthwith enter into good faith negotiations and proceed with due diligence to draft one or more substitute provisions that will achieve the original intent of the parties hereunder.
- §21.15 Force Majeure. Neither the City nor the Company shall be in breach of this Franchise if a failure to perform any of the duties under this Franchise is due to Force Majeure, as defined herein.
- §21.16 Earlier Franchises Superseded. This Franchise shall constitute the only franchise between the City and the Company related to the furnishing of Utility Service, and it supersedes and cancels all former franchises between the parties hereto.
- §21.17 Titles Not Controlling. Titles of the paragraphs herein are for reference only, and shall not be used to construe the language of this Franchise.
- §21.18 Applicable Law. Colorado law shall apply to the construction and enforcement of this Franchise. The parties agree that venue for any litigation arising out of this Franchise shall be in the District Court for Douglas County, State of Colorado.
- §21.19 Payment of Expenses Incurred by City in Relation to Franchise Agreement. The Company shall pay for expenses reasonably incurred by the City for the adoption of this Franchise, limited to the publication of notices, publication of ordinances, and photocopying of documents and other similar expenses.
- §21.20 Costs of Compliance with Franchise. The parties acknowledge that PUC rules, regulations and final decisions may require that costs of complying with certain provisions of this Franchise be borne by customers of the Company who are located within the City.
- §21.21 Conveyance of City Streets, Public Utility Easements or Other City Property. In the event the City vacates, releases, sells, conveys, transfers or otherwise disposes of a City Street, or any portion of a Public Utility Easement or Other City Property in which Company Facilities are located, the City shall reserve an easement in favor of the Company over that portion of the Street, Public Utility Easement or Other City Property in which such Company Facilities are located. The Company and the City shall work together to prepare the necessary legal description to effectuate such reservation. For the purposes of Section 6.8.A of this Franchise, the land vacated, released, sold, conveyed, transferred or otherwise disposed of by the City shall no longer be deemed to be a Street or Other City Property from which the City may demand the Company temporarily or permanently Relocate Company Facilities at the Company's expense.

(Signature page follows.)



1800 Larimer Street, 11th Floor
Denver, Colorado 80202-5534

The Honorable Jacqueline A. Millet
Mayor, City of Lone Tree
9220 Kimmer Drive, Suite 100
Lone Tree, Colorado 80124

November __, 2016

Dear Mayor Millet:

The purpose of this letter is to set forth several issues of understanding between Public Service Company of Colorado, a Colorado corporation (hereinafter, "PSCo") and the City of Lone Tree, Colorado (hereinafter, "the City") that are in addition to the Franchise Agreement to be adopted by ordinance on or about _____ (hereinafter, "the Franchise"). These items have been negotiated in good faith, agreed to as part of the franchise renewal process and specifically relate to the unique issues that exist in the City.

- A. **Underground Conversion at the Expense of PSCo:** Underground conversion is addressed in Section 11.2 of the Franchise. PSCo has requested that the City agree to substitute references to "Distribution Facilities" (a defined term) with "distribution lines" (an undefined term) in Section 11.2. Given that there is only one area within the City that does not contain underground Facilities or is in the process of being undergrounded, the City has agreed to limit the applicability of the underground conversion program to existing overhead "lines" as opposed to existing overhead Distribution Facilities.

- B. **Contingency Fee Audits:** The City and PSCo (referenced as the "parties") were not able to come to agreement on language proposed by PSCo related to audits of franchise obligations conducted by third parties retained by the City, whereby the auditor is to be compensated on a contingency fee basis. The parties have agreed, at the City's request, not to include any such language in the Franchise. The parties agree however, that if, at some future date, the City decides to audit financial obligations of the Franchise, whereby the auditor is to be compensated based upon a contingency fee, PSCo retains all rights to challenge the propriety of such an audit and compensation structure on any ground. It is PSCo's position that such contingency audits are unethical and PSCo has a policy of not allowing contingency audits. Likewise, the City retains all rights it may have to support whatever compensation structure it may be proposing for its auditor at such time.

Sincerely,

Public Service Company of Colorado, Inc.

By: Jerome Davis
Its: Regional Vice President, Customer and Community Relations
Date: _____

Acknowledged and agreed to this ____ day of _____, 2016.

City of Lone Tree, Colorado

By: Jacqueline A. Millet
Its: Mayor
Date: _____



CITY OF LONE TREE

STAFF REPORT

TO: Mayor Millet and City Council

FROM: Jennifer Pettinger, CMC, City Clerk & Tobi Basile, Deputy City Clerk

FOR: December 6, 2016 City Council Meeting

DATE: November 22, 2016

SUBJECT: Resolution 16-27, ADOPTING THE AMENDED CITY OF LONE TREE ADMINISTRATIVE FEE SCHEDULE

Summary

Each Department has reviewed their applicable fee schedule. Amendments have been made to the Administrative/PD, Liquor License, Building Department and Public Works Fee Schedules.

Cost

There is no direct cost.

Suggested Motion or Recommended Action

I move to approve Resolution 16-27 ADOPTING THE AMENDED CITY OF LONE TREE ADMINISTRATIVE FEE SCHEDULE.

Background

Below is an explanation of the changes to the fee schedule. Staff is available to further explain these changes if Council so desires.

Administrative/PD Fee Schedule Change

Charges for Online Electronic Fund Transfer (EFT) returned item, stop payment or charge back fees through Xpress Bill Pay have been added. These are charges for returned items paid online through electronic checks or credit card. These fees are to recoup the fees we are charged by our vendor when returned items occur.

Liquor License Fee Schedule Change

The legislature has added a new class of liquor license, the Lodging & Entertainment license. Due to this addition we need to amend our fees and add this license class.

Building Fee Schedule Change

The Building Division is proposing an increase to elevator and escalator fees. This will enable the City to cover costs associated with rate increases charged by the City's inspection contractor. These fees are consistent with the metro area fees for similar services and, in many cases, less than what other independent third party inspection services can provide. The only proposed fee change that is not a pass through to customers is the proposed increase of \$20 to the annual elevator inspection to help cover the administrative, reporting, and software licensing costs to the City.

Public Works Fee Schedule Change

Engineering Review Fees:

The engineering review fees will not change. However, each project and applicant is different and sometimes a small project can become the most complicated project. Therefore, Public Works is proposing to amend the fee structure to collect the fee up front, account for the time billed against the project in reviews, and either reimburse the Developer the unused fees or charge the Developer for review time that goes above and beyond the original fee amount.

Right of Way Use and/or Construction Permit Fees:

The right of way use/construction permit fees have been revised to reflect an "average" of the similar types of fees collected in six of the surrounding jurisdictions. As stated above, each project and applicant is different and sometimes a small project can become the most complicated project. Therefore, Public Works is proposing to amend the fee structure to collect the fee up front, account for the time billed against the project for inspections, and either reimburse the Developer the unused fees or charge the Developer for inspection time that goes above and beyond the original fee amount. Utility and right-of-way use permits are the only permits that will not receive a reimbursement. This change in how fees are collected will not take effect until such time as the currently proposed code revisions are approved by the City Council at a future City Council meeting.

Attachments:

- Resolution 16-27 with Appendix A
- Redline changes Administrative/PD Fees
- Redline changes for Liquor License Fees
- Redline changes for Building Department Fees
- Redline changes for Public Works (Right of Way/Engineering) Fees

**CITY OF LONE TREE
RESOLUTION NO. 16-27**

**A RESOLUTION ADOPTING THE AMENDED CITY OF LONE TREE
ADMINISTRATIVE FEE SCHEDULE**

WHEREAS, pursuant to Article XII, Section 4 of the City of Lone Tree Charter, the City Council has the authority to levy fees for any and all municipal purposes; and

WHEREAS, the City Council, pursuant to the authority granted under C.R.S. §31-15-101(2), may establish a fee schedule to defray the cost of the City in providing such services; and

WHEREAS, the City Council has determined that all fees and charges imposed by the City should reflect the actual costs and expenses incurred by the City; and

WHEREAS, the City Council has determined that the fees and charges established by this Resolution are reasonable and not excessive and reflect the actual costs incurred by the City in process the various applications, petitions, permits, plans, plats and requests; and

WHEREAS, on June 2, 1998, the City adopted Resolution 98-16, approving Local Liquor License Fees; and

WHEREAS, on April 4, 2006, the City adopted Resolution 06-11, adopting fees for Planning and Zoning Services; and

WHEREAS, on March 20, 2007, the City adopted Resolution 07-10, adopting fees for Permits and Engineering Services; and

WHEREAS, on November 19, 2009 adopted Resolution 09-11, consolidating the City's fee schedules; and

WHEREAS, on August 17, 2010 the City adopted Resolution 10-30, amending the City's fee schedule; and

WHEREAS, on October 19, 2010 the City adopted Resolution 10-40, amending the City's fee schedule; and

WHEREAS, on March 6, 2012 the City adopted Resolution 12-05, amending the City's fee schedule; and

WHEREAS, on July 1, 2014 the City adopted Resolution 14-14, amending the City's fee schedule; and

WHEREAS, on January 6, 2015 the City adopted Resolution 15-01, amending the City's fee schedule; and

WHEREAS, on June 16, 2015 the City adopted Resolution 15-07, amending the City's fee schedule; and

WHEREAS, the City Council desires to make clarifications, adjustments and additions to the “Administrative/Police Department Fees”, “Liquor License Fees”, “Building Division Fees”, “Engineering Review Fees”, and the “Right-of-Way Use and/or Construction Fees”; and

WHEREAS, adoption of a complete amended Administrative Fee Schedule is in the best interest of the City;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LONE TREE, COLORADO:

1. The City of Lone Tree Administrative Fee Schedule attached hereto as Appendix A and incorporated herein is hereby adopted.

2. This Resolution shall be in full force and effect upon passage.

APPROVED AND ADOPTED THIS 6th DAY OF DECEMBER, 2016.

CITY OF LONE TREE

By: _____
Jaqueline A. Millet, Mayor

ATTEST:

By: _____
Jennifer Pettinger, CMC, City Clerk

City of Lone Tree Administrative Fee Schedule Administrative/Police Department Fees

Note: A single-sided piece of paper (up to 11" x 17") constitutes one page.

A double-sided piece of paper (up to 11" x 17") constitutes two pages.

Type of Service	Charge	Additional Charges
Open Records Request for criminal justice records – onsite standard size paper documents (includes traffic citations, sex offender registry)	\$5.00 per request, which includes up to two standard size pages	\$.50 per page for additional pages
Open Records Request for non-criminal justice records – onsite standard size paper documents Includes Sex Offender Listing	\$.25 per standard size copy	Compiling Records - First 15 minutes spent compiling records is free, \$5.00 per each additional 15 minutes
Certified Copies (per page)	\$5.00 Flat Fee	
Open Records Request – Plat Map copies	\$5.00 per paper copy, up to 24" x 36" \$10.00 per mylar copy, up to 24" x 36"	\$5.00 per 15 minutes spent having plat maps copied
Open Records Request – CD Documents (including photos)	\$25 per CD (up to 700 MB)	
Open Records Request – Printed Photographs (3.5 x 5 size) each	\$3.00	6 or more \$20.00 Plus \$.50 per print
Open Records Request – Printed Photographs (8x10 size) each	\$7.00	6 or more \$40.00 Plus \$.50 per print
Open Records Request – Audio CD	\$12.00 per recording	
Open Records Request – Video Recording	\$25.00 per recording	
Open Records Request – Off-site Records (covers the cost of delivery and pickup only)	\$75.00 <i>PRE-PAID</i> for one off-site box, plus the standard copy fees as listed above	\$10.00 <i>PRE-PAID</i> for each additional box, plus the standard fees as listed above
Open Records Request – Body Camera Video	\$30.00 (up to 4 hours of research fee)	\$30.00 per hour that exceeds the initial 4 hours.
Manual and/or Computer Research and/or Retrieval	1 st hour no charge Subsequent hours \$30.00 per hour	
Redacting Charge	\$20.00 per hour min fee	Thereafter charged in 0.50 hour increments
Returned Check	\$25.00	
Fingerprinting (Lone Tree Resident or employed in Lone Tree)	\$10.00 for the first card	\$3.00 for each additional card
Fingerprinting (Not a Lone Tree Resident or not employed in Lone Tree)	\$15.00 for the first card	\$3.00 for each additional card
Sex Offender Registration	\$15.00 Annual	No charge for quarterly registration
VIN Verification (Lone Tree Resident)	No charge	
VIN Verification (Not a Lone Tree Resident)	\$10.00 per verification	
Online EFT Returned Item through Xpress Bill Pay (incorrect account information)	\$5.00	
Online EFT Returned Item (insufficient funds) through Xpress Bill Pay	\$10.00	
Online EFT Returned Stop Payment or Charge Back	\$25.00	
Service Fee for credit cards	2.3% of transaction amount (not applicable to court fees, surcharges and fines)	

City of Lone Tree Administrative Fee Schedule

Liquor License Fees

CRS 12-47-505 (a)-(m) and 12-47-505 (4)(a)(I)-(III)

Type of License	License Fee (New & Annual Renewal)	Annual Renewal Application Fee
Retail Liquor Store	\$22.50	\$50.00
Drug Store Liquor	\$22.50	\$50.00
Beer & Wine	\$48.75	\$50.00
Hotel & Restaurant	\$75.00	\$50.00
Hotel & Restaurant w/Optional Premise	\$75.00	\$50.00
Tavern	\$75.00	\$50.00
Lodging & Entertainment	\$75.00	\$50.00
Optional Premises	\$75.00	\$50.00
Brew Pub	\$75.00	\$50.00
Club	\$41.25	\$50.00
Arts	\$41.25	\$50.00
3.2% Beer (On/Off Premise)	\$3.75	\$50.00
Special Events	\$25.00/Day	
Temporary Permit	\$100.00	

Other Liquor License Fees	Fee
Application Fee for New License (nonrefundable)	\$500.00
Application Fee Transfer of Ownership (nonrefundable)	\$500.00
Change of Location Application Fee (nonrefundable)	\$500.00
Corporate Report of Changes Application Fee (nonrefundable)	\$100.00 per person
Manager's Registration	\$75.00
Late Renewal Application Fee	\$500.00 PLUS License Fee
Mini Bar Permit (w/H&R License)	\$325.00
Tasting Permit Application Fee (nonrefundable)	\$50.00
Change of Name	No Charge
Modification of Premises	No Charge
Duplicate License	No Charge

Additional costs paid directly by the applicant:

- Fingerprinting & CBI Report
- State Fees

12/06/16 • Other fees as may be required City Council Packet

Building, Plumbing and Mechanical Permit Fees for All Occupancies (For Electrical, see table below)	
Total Valuation (See below for determination of value)	Permit Fees
\$1.00 to \$500.00	\$23.50.
\$501.00 to \$2,000.00	\$23.50 for the first \$500.00 plus \$3.05 for each additional \$100.00 or fraction thereof, to and including \$2,000.00.
\$2,001.00 to \$25,000.00	\$69.25 for the first \$2,000.00 plus \$14.00 for each additional \$1,000.00 or fraction thereof, to and including \$25,000.00.
\$25,001.00 to \$50,000.00	\$391.75 for the first \$25,000.00 plus \$10.10 for each additional \$1,000.00 or fraction thereof, to and including \$50,000.00.
\$50,001.00 to \$100,000.00	\$643.75 for the first \$50,000.00 plus \$7.00 for each additional \$1,000.00 or fraction thereof, to and including \$100,000.00.
\$100,001.00 to \$500,000.00	\$993.75 for the first \$100,000.00 plus \$5.60 for each additional \$1,000.00 or fraction thereof, to and including \$500,000.00.
\$500,001.00 to \$1,000,000.00	\$3,233.75 for the first \$500,000.00 plus \$4.75 for each additional \$1,000.00 or fraction thereof, to and including \$1,000,000.00.
\$1,000,001.00 and up	\$5,608.75 for the first \$1,000,000.00 plus \$3.65 for each additional \$1,000.00 or fraction thereof.
Electrical Permit Fees	
Valuation of Work (Actual cost to customer – Labor and Materials)	
Not more than \$300.00	\$30.00
More than \$300.00 but not more than \$2,000.00	\$35.00
More than \$2,000.00 but not more than \$20,000.00	\$15.00 per thousand or fraction there of total valuation
More than \$20,000.00	\$10.00 per thousand or fraction thereof of total valuation, Plus \$100.00
Mobile homes and travel parks per space	\$100.00
Reinspection on all the above	\$50.00

Other Fees and Inspections		
Solar Electric or Solar Thermal Device	\$480.00	
Residential Master Plan Review	\$200.00	
Demolition Permit	\$10.00	
Tents, Temporary Buildings, Mobile Units	\$10.00 per 1,000 square feet or fraction thereof	
Inspections outside of normal business hours (minimum charge – two hours)	\$47.00 per hour*	
Reinspection	\$47.00 per hour*	
Inspections for which no fee is specifically indicated (minimum charge – one-half hour)	\$47.00 per hour*	
Additional plan review required by changes, additions, or revisions to approved plans (minimum charge – one-half hour)	\$47.00 per hour*	
Compliance Inspection	\$145.00	
A fee will be collected at the time of building permit, if applicable, on behalf of the Cherry Creek Basin Water Quality Authority (the Authority), in association with the protection and preservation of water quality of the Cherry Creek Reservoir and Watershed. Fees are established annually by the Authority.		
* or the total hourly cost to the jurisdiction whichever is greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employees involved.		
Elevators and Escalators		
Elevator Annual Certification Inspection (Hydraulic or Traction) Follow-up inspection as required	\$220.00	Per unit per year
Escalator Certification Inspection (Internal & External Including witnessed Step Skirt Index (6 Hr. allowance, \$100/Hr. after 6 Hrs.))	\$1100.00	Per unit per year
Commercial Elevator Acceptance (new installation or major modernization) including Plan Review and 2 progress inspections	\$825.00	Per unit
Minor Modernization	\$550.00	Per unit
Residential Elevator Acceptance including Plan Review and 1 progress inspection	\$550.00	Per unit
Special inspections not otherwise covered, e.g. construction use, temporary use, minor modernization and safety test witnessing	\$110.00	Per hour
5 Year Hydraulic Witnessed Test (1.5 Hr. allowance)	\$200.00	Per unit
5 Year Traction Witnessed Test (4 Hr. allowance)	\$500.00	Per unit
Plan Review Fees		
1. Plan Review fees shall be sixty-five (65%) of the applicable Building Permit Fee calculated using the above tables.		

2. For Commercial, Institutional and Multi-family construction, fifty percent (50%) of the Plan Review Fee shall be deposited with the City at the time of building permit application.

Use Tax

A use tax of 2.8125% will be collected at the time a building permit is issued and will apply to materials used in construction, per Chapter 4, Article III of the Lone Tree Municipal Code. Use tax is collected as follows:

Lone Tree Use Tax = (Valuation of Project x .50) x 1.8125%

Douglas County Use Tax = (Valuation of Project x .50) x 1.0%

No Douglas County Use Tax will be collected on mechanical, plumbing or electrical only permits/projects (examples: air conditioners, furnaces, water heaters and/or gas lines).

Determination of Value

Determination of Value: The applicant for a permit shall provide an estimated permit value at the time of application. Permit valuations shall include **total value of work, including construction materials and labor**, for which the permit is being issued, such as electrical, gas, mechanical, plumbing equipment and permanent systems. If, in the opinion of the building official, the valuation is underestimated on the application, the permit shall be denied, unless the applicant can show detailed estimates to meet the approval of the building official.

In the event of a dispute, the Building Official shall use the latest version of the Building Valuation Data published in the International Code Council's *Building Safety Journal* or other similar cost per square-foot resources to determine the minimum acceptable valuation. Final building permit valuation shall be set by the building official.

RIGHT-OF-WAY USE AND/OR CONSTRUCTION FEES

Category	Permit Item	Fee \$	Unit	Quantity	Minimum \$	Total \$
Telecom/CATV						
	Wireless/Antenna	\$100.00	EA		\$100.00	
	CATV	\$0.30	LF		\$75.00	
	Water, < = 16"	\$0.35	LF		\$75.00	
	Water, > 16"	\$0.45	LF		\$75.00	
	Sanitary Sewer	\$0.45	LF		\$75.00	
	Gas	\$0.30	LF		\$75.00	
	Electric	\$0.30	LF		\$75.00	
	Phone	\$0.30	LF		\$75.00	
	Fire Hydrant	\$50.00	EA		\$75.00	
	Vaults	\$100.00	EA		\$100.00	
	Handhole/Splice Box	\$50.00	EA		\$50.00	
	Pedestal/Cabinet	\$50.00	EA		\$50.00	
	Manhole	\$55.00	EA		\$50.00	
Concrete Structures						
	Sidewalk-Detached/Path	\$0.25	LF		\$75.00	
	Curb & Gutter	\$0.25	LF		\$75.00	
	Sidewalk, Curb & Gutter	\$0.30	LF		\$75.00	
	Sidewalk Chase	\$100.00	EA		\$100.00	
	Cross Pan	\$100.00	EA		\$100.00	
	Curb Cut/Driveway	\$100.00	EA		\$100.00	
	ADA Compliant Curb Ramp	\$75.00	EA		\$75.00	
	Box Culvert (per tube)	\$15.00	LF		\$400.00	
Roads/Streets					\$50.00	
	Pothole/Bore Pit/Jacking/Tunneling	\$75.00	EA		\$75.00	
	Street Cut	\$5.00	SF		\$75.00	
	Pavement Design Review	\$150.00	EA		\$150.00	
	Subgrade Preparation	\$0.20	SY		\$75.00	
	Paving	\$0.15	SY		\$75.00	
	Milling	\$0.07	SY		\$30.00	
	Traffic Signal (per pole)	\$500.00	EA		\$500.00	
Storm Drainage						
	Storm Sewer	\$0.30	LF		\$75.00	
	Inlet/Outlet	\$100.00	EA		\$100.00	
	Manhole/Vault	\$65.00	EA		\$65.00	
	Detention Pond	\$0.02	SF		\$200.00	
	Trickle Channel	\$0.20	LF		\$75.00	
	Culvert	\$0.30	LF		\$75.00	
Erosion/Grading						
	Grading	\$25.00	AC		\$250.00	
	Rip Rap	\$0.25	CY		\$75.00	
	Sediment Stop/Silt Fence	\$0.20	LF		\$75.00	
	Straw Bales	\$0.05	EA		\$75.00	
	Seeding	\$10.00	AC		\$75.00	
	Erosion Control/Other	\$ Varies			\$75.00	
	Erosion Control Blanket	\$0.02	SY		\$75.00	
	Inlet Protection	\$5.00	EA		\$100.00	

Category	Permit Item	Fee \$	Unit	Quantity	Minimum \$	Total \$
	Vehicle Tracking Pad	\$75.00	EA		\$75.00	
	Concrete Washout	\$75.00	EA		\$75.00	
Landscape/Retaining Wall						
	Retaining Wall > 4 ft.	\$0.20	FF		\$60.00	
	Landscaping	\$0.25	SF		\$60.00	
Administration						
	Permit Processing	15% of permit fee	EA		\$25.00	
	Reinspection (>4 visits/OT)	\$85.00	HR		\$35.00	
	Penalty Fee (2X original Fee)	\$ Varies			TBD	
Miscellaneous						
		\$ Varies			TBD	
	License Agreement	\$250.00	EA		\$250.00	
	Traffic Control Only (No ROW Work)	\$65.00	DAY		\$65.00	
	Separate Access Permit Application)	\$200.00	EA		\$200.00	
	Separate Access Permit Application)	\$200.00	EA		\$200.00	
Warranty Work/Repair						
	1st 60 Day Permit	No Cost			TBD	
	Subsequent Permits	\$250+each item	EA		\$250.00	

Minimum Permit Fee	\$200.00
Working without City Issued Permit	2 x permit fee
Reinstatement Fee (after stop work order)	\$600.00

Notes:

1. For Development and Grading Inspection Types, permit fees are only an estimation of inspection fees for a project. Any additional fees or inspections accumulated over this amount will be assessed on a per hour basis plus 15% for administrative costs. If such additional amounts are not paid when required by the City, the City may suspend or terminate the work described on the permit application.

ENGINEERING REVIEW FEES

DESCRIPTION	ENGR FEE	QUANTITY
ZONING APPLICATION	\$6,500.00	<5 acres
- includes required plans and reports	\$9,900.00	≥ 5 ac. and < 25 ac.
	\$13,300.00	≥ 25 acres
SKETCH PLAN	\$2,500.00	<5 acres
- includes required plans and reports	\$5,000.00	≥ 5 ac. and <25 ac.
	\$7,500.00	≥ 25 acres
PRELIMINARY PLAN	\$2,500.00	<5 acres
- includes required plans and reports	\$5,000.00	≥ 5 ac. and <25 ac.
	\$7,500.00	≥ 25 acres
FINAL PLAT	\$5,000.00	<5 acres
- includes required plans and reports	\$5,800.00	≥ 5 ac. and <25 ac.
	\$7,500.00	≥ 25 acres
MINOR DEVELOPMENT PLAT	\$5,000.00	<5 acres
- includes required plans and reports	\$5,800.00	≥ 5 ac. and <25 ac.
	\$7,500.00	≥ 25 acres
REPLAT (Administrative Lot Line Adjustment or Vacation) +	\$500.00	
REPLAT (Non - Administrative Lot Line Adjustment or Vacation) +	\$1,000.00	
CONDOMINIUM MAP	\$500 + \$15/unit	
SITE IMPROVEMENT PLAN (and Major Revisions to Site Improvement Plan)	\$3,000.00	<5 acres
- includes required plans and reports	\$5,500.00	≥ 5 ac. and <25 ac.
	\$9,500.00	≥ 25 acres
SITE IMPROVEMENT PLAN ++ "Pad Site" (Part of a Larger Approved SIP)	\$1,500.00	
SITE IMPROVEMENT PLAN - Minor Revision	\$400.00	
SITE IMPROVEMENT PLAN - Minor Modification	\$200.00	
USE BY SPECIAL REVIEW +++	\$3,000.00	<5 acres
- includes required plans and reports	\$5,500.00	≥ 5 ac. and <25 ac.
	\$9,500.00	≥ 25 acres
PD Amendment (Major)	\$500.00	
SERVICE PLAN (Special District)	\$640.00	
RIGHT-OF-WAY (R.O.W.) DEDICATION (Public)	\$200.00	
R.O.W. VACATION	\$2,400.00	
MINOR ADJUSTMENT TO EXISTING R.O.W.	\$200.00	
DEDICATION OF DRAINAGE EASEMENT	\$200.00	
VACATION of Access or Drainage Easements	\$1,000.00	
VACATION of Other Easements (May be used for Access or Drainage Easements if part of a larger project)	\$400.00	
SB 35 EXEMPTION	\$1,200.00	
LOCATION & EXTENT	\$1,000.00	
PLANNED DEVELOPMENT (Zoning) Administrative Amendment	\$400.00	
CONSTRUCTION PLAN REVIEWS		
STREET / STORM PLANS	\$1,600.00	<5 acres
	\$2,000.00	≥ 5 ac. and <25 ac.
	\$2,400.00	≥ 25 acres
GRADING, EROSION & SEDIMENT CONTROL (GESC) PLANS ⁽¹⁾	\$250 + \$25(X)	
LOW IMPACT GESC PLANS	\$250.00	
DISTRICT ROADWAY PLANS ⁽²⁾	\$700 + \$60√ Y	
DISTRICT STORM SEWER PLANS ⁽²⁾	\$700 + \$75√ Y	
REGIONAL DETENTION POND PLANS ⁽¹⁾	\$500 + \$40√ X	
REGIONAL WATER QUALITY FACILITY PLANS	\$400.00	

UTILITY PLANS Gas, Electric, Telephone, Cable TV (For submittals greater than 1000 LF)*	\$450.00	
TRAFFIC SIGNAL PLANS (Per Intersection)	\$800.00	
SIGNAGE AND STRIPING PLANS (if not a part of an overall construction plan set)	\$200 per sheet	
R.O.W. LANDSCAPE PLANS ⁽²⁾	\$350 + \$60√ Y	
OTHER REVIEW SERVICES	ENGR FEE	QUANTITY
PHASE I DRAINAGE REPORT	\$336.00	<5 acres
	\$560.00	≥ 5 ac. and <25 ac.
	\$672.00	≥ 25 acres
PHASE II or PHASE III DRAINAGE REPORT	\$672.00	<5 acres
	\$1,120.00	≥ 5 ac. and <25 ac.
	\$1,344.00	≥ 25 acres
DRAINAGE CONFORMANCE LETTER	\$100.00	
FLOODPLAIN MODIFICATION STUDY - Minor	\$800.00	
FLOODPLAIN MODIFICATION STUDY - Major	\$1,600.00	
FLOODPLAIN DEVELOPMENT PERMIT	\$100.00	
PAVEMENT DESIGN REPORT	\$250.00	
ACCESS PERMIT	\$200.00	
TRAFFIC IMPACT STUDY FOR:		
Rezoning, Sketch Plan or Preliminary Plan	\$2,000.00	
Updated Report to Original for Sketch or Preliminary	\$1,000.00	
Final Plat / Minor Development Plat	\$500.00	
Site Improvement Plan	\$500.00	
Use by Special Review	\$1,500.00	
SIGNAL WARRANT STUDY (Per Intersection)	\$200.00	
VARIANCE REQUEST	\$200.00	
NOTICE OF CHANGE TO APPROVED PLAN - Minor Revision	\$200.00	
NOTICE OF CHANGE TO APPROVED PLAN - Major Revision	\$500.00	
ALTERNATE ROADWAY STANDARDS FOR PUBLIC ROADS	\$2,500.00	
Revision to Alternative Roadway Standards	\$500.00	
ROADWAY STANDARDS FOR PRIVATE ROADS	\$2,500.00	
Revision to Private Roadway Standards	\$250.00	
LICENSE AGREEMENT	\$500.00	
INTERGOVERNMENTAL AGREEMENT (Special District)	\$1,000.00	
MODIFICATION to Standard Improvements Agreements	\$500.00	
MINIMUM ENGINEERING REVIEW FEE	\$500.00	
Notes:		
+ See Article VII, Section 17-7-30(b) for clarification / applicability.		
++ A "Pad Site" is part of a larger approved Site Improvement Plan (SIP). The following items must exist (or be approved) to qualify as a "Pad Site": (1) Detention/water quality, access, parking (generally), grading (generally) and utilities all provided for through the larger SIP; (2) No revisions are required to the overall drainage patterns, detention, water quality, etc.; (3) The consulting engineer for the Project is required to submit a letter (minimum) certifying that the drainage and access for the "Pad Site" are in substantial compliance with the Larger SIP Drainage Report and Traffic Report (if applicable).		
+++ The City of Lone Tree reserves the right to send referrals to outside agencies from which expert technical assistance may be requested. Fees may be assessed by referral agencies for their outside review, and those fees shall be assessed to and paid by the applicant.		
1. X denotes area in acres 2. Y denotes longitudinal distance in hundreds of feet		
The fees listed above are only an estimation of the review fees for the project. Any additional review fees accumulated over this amount will be assessed on a per hour basis plus 15% for administrative costs. If such additional amounts are not paid when required by the City, the City may suspend or terminate the review of the application.		

Administrative/Police Department Fees

Note: A single-sided piece of paper (up to 11" x 17") constitutes one page.

A double-sided piece of paper (up to 11" x 17") constitutes two pages.

Type of Service	Charge	Additional Charges
Open Records Request for criminal justice records – onsite standard size paper documents (includes traffic citations, sex offender registry)	\$5.00 per request, which includes up to two standard size pages	\$.50 per page for additional pages
Open Records Request for non-criminal justice records – onsite standard size paper documents Includes Sex Offender Listing	\$.25 per standard size copy	Compiling Records - First 15 minutes spent compiling records is free, \$5.00 per each additional 15 minutes
Certified Copies (per page)	\$5.00 Flat Fee	
Open Records Request – Plat Map copies	\$5.00 per paper copy, up to 24" x 36" \$10.00 per mylar copy, up to 24" x 36"	\$5.00 per 15 minutes spent having plat maps copied
Open Records Request – CD Documents (including photos)	\$25 per CD (up to 700 MB)	
Open Records Request – Printed Photographs (3.5 x 5 size) each	\$3.00	6 or more \$20.00 Plus \$.50 per print
Open Records Request – Printed Photographs (8x10 size) each	\$7.00	6 or more \$40.00 Plus \$5.00 per print
Open Records Request – Audio CD	\$12.00 per recording	
Open Records Request – Video Recording	\$25.00 per recording	
Open Records Request – Off-site Records (covers the cost of delivery and pickup only)	\$75.00 <i>PRE-PAID</i> for one off-site box, plus the standard copy fees as listed above	\$10.00 <i>PRE-PAID</i> for each additional box, plus the standard fees as listed above
Open Records Request – Body Camera Video	\$30.00 (up to 4 hours of research fee)	\$30.00 per hour that exceeds the initial 4 hours.
Manual and/or Computer Research and/or Retrieval	1 st hour no charge Subsequent hours \$30.00 per hour	
Redacting Charge	\$20.00 per hour min fee	Thereafter charged in 0.50 hour increments
Returned Check	\$25.00	
Fingerprinting (Lone Tree Resident or employed in Lone Tree)	\$10.00 for the first card	\$3.00 for each additional card
Fingerprinting (Not a Lone Tree Resident or not employed in Lone Tree)	\$15.00 for the first card	\$3.00 for each additional card
Sex Offender Registration	\$15.00 Annual	No charge for quarterly registration
VIN Verification (Lone Tree Resident)	No charge	
VIN Verification (Not a Lone Tree Resident)	\$10.00 per verification	
<u>Online EFT Returned Item through Xpress Bill Pay</u>	<u>\$5.00</u>	
<u>Online EFT Returned Stop Payment or Charge Back</u>	<u>\$25.00</u>	

Service Fee for credit cards	2.3% of transaction amount (not applicable to court fees, surcharges and fines)	
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Liquor License Fees

CRS 12-47-505 (a)-(m) and 12-47-505 (4)(a)(I)-(III)

Type of License	License Fee (New & Annual Renewal)	Annual Renewal Application Fee
Retail Liquor Store	\$22.50	\$50.00
Drug Store Liquor	\$22.50	\$50.00
Beer & Wine	\$48.75	\$50.00
Hotel & Restaurant	\$75.00	\$50.00
Hotel & Restaurant w/Optional Premise	\$75.00	\$50.00
Tavern	\$75.00	\$50.00
<u>Lodging & Entertainment</u>	<u>\$75.00</u>	<u>\$50.00</u>
Optional Premises	\$75.00	\$50.00
Brew Pub	\$75.00	\$50.00
Club	\$41.25	\$50.00
Arts	\$41.25	\$50.00
3.2% Beer (On/Off Premise)	\$3.75	\$50.00
Special Events	\$25.00/Day	
Temporary Permit	\$100.00	

Other Liquor License Fees	Fee
Application Fee for New License (nonrefundable)	\$500.00
Application Fee Transfer of Ownership (nonrefundable)	\$500.00
Change of Location Application Fee (nonrefundable)	\$500.00
Corporate Report of Changes Application Fee (nonrefundable)	\$100.00 per person
Manager's Registration	\$75.00
Late Renewal Application Fee	\$500.00 PLUS License Fee
Mini Bar Permit (w/H&R License)	\$325.00
Tasting Permit Application Fee (nonrefundable)	\$50.00
Change of Name	No Charge
Modification of Premises	No Charge
Duplicate License	No Charge

Additional costs paid directly by the applicant:

- 12/06/16 Fingerprinting & CBI Report
- State Fees

- Other fees as may be required

Building, Plumbing and Mechanical Permit Fees for All Occupancies (For Electrical, see table below)	
Total Valuation (See below for determination of value)	Permit Fees
\$1.00 to \$500.00	\$23.50.
\$501.00 to \$2,000.00	\$23.50 for the first \$500.00 plus \$3.05 for each additional \$100.00 or fraction thereof, to and including \$2,000.00.
\$2,001.00 to \$25,000.00	\$69.25 for the first \$2,000.00 plus \$14.00 for each additional \$1,000.00 or fraction thereof, to and including \$25,000.00.
\$25,001.00 to \$50,000.00	\$391.75 for the first \$25,000.00 plus \$10.10 for each additional \$1,000.00 or fraction thereof, to and including \$50,000.00.
\$50,001.00 to \$100,000.00	\$643.75 for the first \$50,000.00 plus \$7.00 for each additional \$1,000.00 or fraction thereof, to and including \$100,000.00.
\$100,001.00 to \$500,000.00	\$993.75 for the first \$100,000.00 plus \$5.60 for each additional \$1,000.00 or fraction thereof, to and including \$500,000.00.
\$500,001.00 to \$1,000,000.00	\$3,233.75 for the first \$500,000.00 plus \$4.75 for each additional \$1,000.00 or fraction thereof, to and including \$1,000,000.00.
\$1,000,001.00 and up	\$5,608.75 for the first \$1,000,000.00 plus \$3.65 for each additional \$1,000.00 or fraction thereof.
Electrical Permit Fees	
Valuation of Work (Actual cost to customer – Labor and Materials)	
Not more than \$300.00	\$30.00
More than \$300.00 but not more than \$2,000.00	\$35.00
More than \$2,000.00 but not more than \$20,000.00	\$15.00 per thousand or fraction there of total valuation
More than \$20,000.00	\$10.00 per thousand or fraction thereof of total valuation, Plus \$100.00
Mobile homes and travel parks per space	\$100.00
Reinspection on all the above	\$50.00

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Other Fees and Inspections		
Solar Electric or Solar Thermal Device	\$480.00	
Residential Master Plan Review	\$200.00	
Demolition Permit	\$10.00	
Tents, Temporary Buildings, Mobile Units	\$10.00 per 1,000 square feet or fraction thereof	
Inspections outside of normal business hours (minimum charge – two hours)	\$47.00 per hour*	
Reinspection	\$47.00 per hour*	
Inspections for which no fee is specifically indicated (minimum charge – one-half hour)	\$47.00 per hour*	
Additional plan review required by changes, additions, or revisions to approved plans (minimum charge – one-half hour)	\$47.00 per hour*	
Compliance Inspection	\$145.00	
A fee will be collected at the time of building permit, if applicable, on behalf of the Cherry Creek Basin Water Quality Authority (the Authority), in association with the protection and preservation of water quality of the Cherry Creek Reservoir and Watershed. Fees are established annually by the Authority.		
* or the total hourly cost to the jurisdiction whichever is greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employees involved.		
Elevators and Escalators		
Elevator Annual Certification Inspection (Hydraulic or Traction) Follow-up inspection as required	\$220.00 00	Per unit per year
Escalator Certification Inspection (Internal & External Including witnessed Step Skirt Index (6 Hr. allowance, \$100/Hr. after 6 Hrs.))	\$800 110 0.00	Per unit per year
Commercial Elevator Acceptance (new installation or major modernization) including Plan Review and 2 progress inspections	\$825.00 50	Per unit
<u>Minor Modernization</u>	\$550.00	Per unit
Residential Elevator Acceptance including Plan Review and 1 progress inspection	\$500 550.00	Per unit
Special inspections not otherwise covered, e.g. construction use, temporary use, minor modernization and safety test witnessing	\$400 110.00	Per hour
5 Year Hydraulic Witnessed Test (1.5 Hr. allowance [±])	\$180 200. 00	Per unit
5 Year Traction Witnessed Test (4 Hr. allowance [±])	\$450 500. 00	Per unit
<i>* -Witnessed tests above invoiced directly to building owner by City's inspection service company</i>		

Plan Review Fees

1. Plan Review fees shall be sixty-five (65%) of the applicable Building Permit Fee calculated using the above tables.
2. For Commercial, Institutional and Multi-family construction, fifty percent (50%) of the Plan Review Fee shall be deposited with the City at the time of building permit application.

Use Tax

A use tax of 2.8125% will be collected at the time a building permit is issued and will apply to materials used in construction, per Chapter 4, Article III of the Lone Tree Municipal Code. Use tax is collected as follows:

Lone Tree Use Tax = (Valuation of Project x .50) x 1.8125%
Douglas County Use Tax = (Valuation of Project x .50) x 1.0%

No Douglas County Use Tax will be collected on mechanical, plumbing or electrical only permits/projects (examples: air conditioners, furnaces, water heaters and/or gas lines).

Determination of Value

Determination of Value: The applicant for a permit shall provide an estimated permit value at the time of application. Permit valuations shall include **total value of work, including construction materials and labor**, for which the permit is being issued, such as electrical, gas, mechanical, plumbing equipment and permanent systems. If, in the opinion of the building official, the valuation is underestimated on the application, the permit shall be denied, unless the applicant can show detailed estimates to meet the approval of the building official.

In the event of a dispute, the Building Official shall use the latest version of the Building Valuation Data published in the International Code Council's *Building Safety Journal* or other similar cost per square-foot resources to determine the minimum acceptable valuation. Final building permit valuation shall be set by the building official.

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RIGHT-OF-WAY USE AND/OR CONSTRUCTION FEES

CONSTRUCTION

DESCRIPTION	FEE
BASE FEE	
STO/SAN/WAT/PHO/TV/GAS	\$60.00 EA
TRENCH DRAIN/ELEC/CONDUIT	
Pipe/Cable 0.5"-8"	\$0.19/LF
Pipe/Cable 8.25"-16"	\$0.27/LF
Pipe/Cable 16.25"-24"	\$0.44/LF
Pipe/Cable 24.25"-42"	\$0.77/LF
Pipe/Cable 42.25"-Larger	\$0.97/LF

STREET CUT

DESCRIPTION	FEE
Paved Road	\$5.00/SF
Gravel	\$2.00/SF
Boring/Jacking/Tunneling	\$75.00 EA

STREET/ROAD CONSTRUCTION

DESCRIPTION	FEE
BASE FEE	
SUBGRADE / BASE COURSE / SURFACE (CIRCLE ALL THAT APPLY)	\$85.00 EA
Subgrade	\$0.11/SY
Base Course	\$0.11/SY
Surface	\$0.11/SY

CROSSPANS

DESCRIPTION	FEE
First Crossspan	\$55.00 EA
Additional Crossspans	\$28.00 EA

SIDEWALK / CURB & GUTTER / HANDICAP RAMP

DESCRIPTION	FEE
BASE FEE	\$55.00 EA
Curb & Gutter w/integral sidewalk	\$0.11/LF
Sidewalk Only	\$0.11/LF
Curb & Gutter Only	\$0.11/LF
Sidewalk Chase Drain (no base fee required)	\$45.00 EA
Handicap Ramp	\$50.00 EA

VALLEY PAN OR TRICKLE CHANNEL

DESCRIPTION	FEE
BASE FEE	\$53.00 EA
Plus Lineal Feet	\$0.17/LF

PIPE CULVERT

DESCRIPTION	FEE
BASE FEE	\$60.00 EA
36" or smaller	Base Only
> 36"	\$0.90/LF

CAST-IN-PLACE / PRE-FAB VAULT / INLET / JUNCTION BOX / DISSIPATER

DESCRIPTION	FEE
6' or smaller	\$75.00 EA
> 6'	\$150.00 EA

LANDSCAPE / GRADING RETAINING WALLS > 4 Ft Height!* (Not tied to buildings)

DESCRIPTION	FEE
BASE FEE	\$60.00
Plus face square foot	0.11

* Wall height measured from top of wall footer to top of wall.

DETENTION POND / WATER QUALITY

DESCRIPTION	FEE
Micro Pool	\$50.00 EA
Forebay	\$0.19/SY
Pond Volume	
< 10 Acre FT	\$100.00 EA
10-1000 Acre FT	\$200.00 EA
> 1000 Acre FT	Case by Case
Underground Structure	Case by Case
Outlet Structure	\$150.00 EA

RIP-RAP / EROSION PROTECTION

DESCRIPTION	FEE
Rip-Rap BASE FEE	\$60.00 EA
Plus Cubic Yard	\$0.20/CY
OR Tonnage	\$0.15/TON
Vehicle Tracking Control (VTC) (unless included in a separate GESC Plan/Permit)	\$50.00 EA
VTC w/ Wheel Wash (unless included in a separate GESC Plan/Permit)	\$75.00 EA

POROUS LANDSCAPE / SAND FILTER

DESCRIPTION	FEE
BASE FEE	\$50.00 EA
≤ 10 SY	Base Only
> 10 SY	\$0.09/SY

CONCRETE TRICKLE CHANNEL (For Detention Ponds or drainageways)

DESCRIPTION	FEE
BASE FEE	\$53.00 EA
Plus Linear Feet	\$0.17/LF

~~LANDSCAPE IN RIGHT-OF-WAY~~

DESCRIPTION	FEE
BASE FEE	\$60.00 EA
Plus Square Yards	\$0.10/SY

~~MISCELLANEOUS ITEMS~~

DESCRIPTION	FEE
Utility Handhole/Pull Box	\$37.00 EA
Manhole (Precast or cast-in-place)	\$53.00 EA
Bridge/Cast-in-place Box Culvert	\$500.00 EA
Traffic Signal (per pole)	\$500.00 EA
Traffic Signage BASE FEE	\$50.00 EA
(per project)	\$12.50 EA
Plus Each Sign	\$60.00/DAY
Traffic Control Only (No ROW Work)**	\$75.00 EA
Temporary Construction Permit*	\$75.00 EA
Access Permit (Permanent)*	\$75.00 EA
*Requires separate additional Access Permit Application Form	

~~WARRANTY WORK / REPAIR~~

DESCRIPTION	FEE
1st 60 day permit	No Cost
Subsequent Permits	\$200 + Each Item

Minimum Permit Fee	\$200.00
Working without City Issued Permit	3x permit fee
Reinstatement Fee (after stop work order)	\$600.00

RIGHT-OF-WAY USE AND/OR CONSTRUCTION FEES

Category	Permit Item	Fee \$	Unit	Quantity	Minimum \$	Total \$
Telecom/CATV						
	Wireless/Antenna	\$100.00	EA		\$100.00	
	CATV	\$0.30	LF		\$75.00	
Utilities						
	Water, <= 16"	\$0.35	LF		\$75.00	
	Water, > 16"	\$0.45	LF		\$75.00	
	Sanitary Sewer	\$0.45	LF		\$75.00	
	Gas	\$0.30	LF		\$75.00	
	Electric	\$0.30	LF		\$75.00	
	Phone	\$0.30	LF		\$75.00	
	Fire Hydrant	\$50.00	EA		\$75.00	
	Vaults	\$100.00	EA		\$100.00	
	Handhole/Splice Box	\$50.00	EA		\$50.00	
	Pedestal/Cabinet	\$50.00	EA		\$50.00	
	Manhole	\$55.00	EA		\$50.00	
Concrete Structures						
	Sidewalk-Detached/Path	\$0.25	LF		\$75.00	
	Curb & Gutter	\$0.25	LF		\$75.00	
	Sidewalk, Curb & Gutter	\$0.30	LF		\$75.00	
	Sidewalk Chase	\$100.00	EA		\$100.00	
	Cross Pan	\$100.00	EA		\$100.00	
	Curb Cut/Driveway	\$100.00	EA		\$100.00	
	ADA Compliant Curb Ramp	\$75.00	EA		\$75.00	
	Box Culvert (per tube)	\$15.00	LF		\$400.00	
Roads/Streets					\$50.00	
	Pothole/Bore Pit/Jacking/Tunneling	\$75.00	EA		\$75.00	
	Street Cut	\$5.00	SF		\$75.00	
	Pavement Design Review	\$150.00	EA		\$150.00	
	Subgrade Preparation	\$0.20	SY		\$75.00	
	Paving	\$0.15	SY		\$75.00	
	Milling	\$0.07	SY		\$30.00	
	Traffic Signal (per pole)	\$500.00	EA		\$500.00	
Storm Drainage						
	Storm Sewer	\$0.30	LF		\$75.00	
	Inlet/Outlet	\$100.00	EA		\$100.00	
	Manhole/Vault	\$65.00	EA		\$65.00	
	Detention Pond	\$0.02	SF		\$200.00	
	Trickle Channel	\$0.20	LF		\$75.00	
	Culvert	\$0.30	LF		\$75.00	
Erosion/Grading						
	Grading	\$25.00	AC		\$250.00	
	Rip Rap	\$0.25	CY		\$75.00	
	Sediment Stop/Silt Fence	\$0.20	LF		\$75.00	
	Straw Bales	\$0.05	EA		\$75.00	
	Seeding	\$10.00	AC		\$75.00	
	Erosion Control/Other	\$ Varies			\$75.00	
	Erosion Control Blanket	\$0.02	SY		\$75.00	
	Inlet Protection	\$5.00	EA		\$100.00	
	Vehicle Tracking Pad	\$75.00	EA		\$75.00	
	Concrete Washout	\$75.00	EA		\$75.00	
Landscape/Retaining Wall						
	Retaining Wall > 4 ft.	\$0.20	FF		\$60.00	
	Landscaping	\$0.25	SF		\$60.00	
Administration						
	Permit Processing	15% of permit fee	EA		\$25.00	
	Reinspection (>4 visits/OT)	\$85.00	HR		\$35.00	
	Penalty Fee (2X original Fee)	\$ Varies			TBD	
Miscellaneous						
		\$ Varies			TBD	
	License Agreement	\$250.00	EA		\$250.00	
	Traffic Control Only (No ROW Work)	\$65.00	DAY		\$65.00	
	Temporary Access Permit (Requires Separate Access Permit Application)	\$200.00	EA		\$200.00	
	Permanent Access Permit (Requires Separate Access Permit Application)	\$200.00	EA		\$200.00	
Warranty Work/Repair						

	1st 60 Day Permit	No Cost			TBD
	Subsequent Permits	\$250+each item	EA		\$250.00

Minimum Permit Fee	\$200.00
Working without City Issued Permit	2 x permit fee
Reinstatement Fee (after stop work order)	\$600.00

Notes:

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ENGINEERING REVIEW FEES

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ZONING APPLICATION	\$6,500.00	<5 acres
- includes required plans and reports	\$9,900.00	≥ 5 ac. and < 25 ac.
	\$13,300.00	≥ 25 acres
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- includes required plans and reports	\$5,000.00	≥ 5 ac. and <25 ac.
	\$7,500.00	≥ 25 acres
PRELIMINARY PLAN	\$2,500.00	<5 acres
- includes required plans and reports	\$5,000.00	≥ 5 ac. and <25 ac.
	\$7,500.00	≥ 25 acres
FINAL PLAT	\$5,000.00	<5 acres
- includes required plans and reports	\$5,800.00	≥ 5 ac. and <25 ac.
	\$7,500.00	≥ 25 acres
MINOR DEVELOPMENT PLAT	\$5,000.00	<5 acres
- includes required plans and reports	\$5,800.00	≥ 5 ac. and <25 ac.
	\$7,500.00	≥ 25 acres
REPLAT (Administrative Lot Line Adjustment or Vacation) +	\$500.00	
REPLAT (Non - Administrative Lot Line Adjustment or Vacation) +	\$1,000.00	
CONDOMINIUM MAP	\$500 + \$15/unit	
SITE IMPROVEMENT PLAN (and Major Revisions to Site Improvement Plan)	\$3,000.00	<5 acres
- includes required plans and reports	\$5,500.00	≥ 5 ac. and <25 ac.
	\$9,500.00	≥ 25 acres
SITE IMPROVEMENT PLAN ++ "Pad Site" (Part of a Larger Approved SIP)	\$1,500.00	
SITE IMPROVEMENT PLAN - Minor Revision	\$400.00	
SITE IMPROVEMENT PLAN - Minor Modification	\$200.00	
USE BY SPECIAL REVIEW +++	\$3,000.00	<5 acres
- includes required plans and reports	\$5,500.00	≥ 5 ac. and <25 ac.
	\$9,500.00	≥ 25 acres
PD Amendment (Major)	\$500.00	
SERVICE PLAN (Special District)	\$640.00	
RIGHT-OF-WAY (R.O.W.) DEDICATION (Public)	\$200.00	
R.O.W. VACATION	\$2,400.00	
MINOR ADJUSTMENT TO EXISTING R.O.W.	\$200.00	
DEDICATION OF DRAINAGE EASEMENT	\$200.00	
VACATION of Access or Drainage Easements	\$1,000.00	
VACATION of Other Easements (May be used for Access or Drainage Easements if part of a larger project)	\$400.00	
SB 35 EXEMPTION	\$1,200.00	
LOCATION & EXTENT	\$1,000.00	
PLANNED DEVELOPMENT (Zoning) Administrative Amendment	\$400.00	
CONSTRUCTION PLAN REVIEWS	ENGR FEE	QUANTITY
STREET / STORM PLANS	\$1,600.00	<5 acres
	\$2,000.00	≥ 5 ac. and <25 ac.
	\$2,400.00	≥ 25 acres
GRADING, EROSION & SEDIMENT CONTROL (GESC) PLANS ⁽¹⁾	\$250 + \$25(X)	
LOW IMPACT GESC PLANS	\$250.00	
DISTRICT ROADWAY PLANS ⁽²⁾	\$700 + \$60√ Y	
DISTRICT STORM SEWER PLANS ⁽²⁾	\$700 + \$75√ Y	
REGIONAL DETENTION POND PLANS ⁽¹⁾	\$500 + \$40√ X	
REGIONAL WATER QUALITY FACILITY PLANS	\$400.00	

UTILITY PLANS Gas, Electric, Telephone, Cable TV (For submittals greater than 1000 LF)*	\$450.00	
TRAFFIC SIGNAL PLANS (Per Intersection)	\$800.00	
SIGNAGE AND STRIPING PLANS (if not a part of an overall construction plan set)	\$200 per sheet	
R.O.W. LANDSCAPE PLANS ⁽²⁾	\$350 + \$60√ Y	
OTHER REVIEW SERVICES	ENGR FEE	QUANTITY
PHASE I DRAINAGE REPORT	\$336.00	<5 acres
	\$560.00	≥ 5 ac. and <25 ac.
	\$672.00	≥ 25 acres
PHASE II or PHASE III DRAINAGE REPORT	\$672.00	<5 acres
	\$1,120.00	≥ 5 ac. and <25 ac.
	\$1,344.00	≥ 25 acres
DRAINAGE CONFORMANCE LETTER	\$100.00	
FLOODPLAIN MODIFICATION STUDY - Minor	\$800.00	
FLOODPLAIN MODIFICATION STUDY - Major	\$1,600.00	
FLOODPLAIN DEVELOPMENT PERMIT	\$100.00	
PAVEMENT DESIGN REPORT	\$250.00	
ACCESS PERMIT	\$75.00	
TRAFFIC IMPACT STUDY FOR:		
Rezoning, Sketch Plan or Preliminary Plan	\$2,000.00	
Updated Report to Original for Sketch or Preliminary	\$1,000.00	
Final Plat / Minor Development Plat	\$500.00	
Site Improvement Plan	\$500.00	
Use by Special Review	\$1,500.00	
SIGNAL WARRANT STUDY (Per Intersection)	\$200.00	
VARIANCE REQUEST	\$200.00	
NOTICE OF CHANGE TO APPROVED PLAN - Minor Revision	\$200.00	
NOTICE OF CHANGE TO APPROVED PLAN - Major Revision	\$500.00	
ALTERNATE ROADWAY STANDARDS FOR PUBLIC ROADS	\$2,500.00	
Revision to Alternative Roadway Standards	\$500.00	
ROADWAY STANDARDS FOR PRIVATE ROADS	\$2,500.00	
Revision to Private Roadway Standards	\$250.00	
LICENSE AGREEMENT	\$250.00	
INTERGOVERNMENTAL AGREEMENT (Special District)	\$1,000.00	
MODIFICATION to Standard Improvements Agreements	\$500.00	
MINIMUM ENGINEERING REVIEW FEE	\$300.00	
Notes:		
+ See Article VII, Section 17-7-30(b) for clarification / applicability.		
++ A "Pad Site" is part of a larger approved Site Improvement Plan (SIP). The following items must exist (or be approved) to qualify as a "Pad Site": (1) Detention/water quality, access, parking (generally), grading (generally) and utilities all provided for through the larger SIP; (2) No revisions are required to the overall drainage patterns, detention, water quality, etc.; (3) The consulting engineer for the Project is required to submit a letter (minimum) certifying that the drainage and access for the "Pad Site" are in substantial compliance with the Larger SIP Drainage Report and Traffic Report (if applicable).		
+++ The City of Lone Tree reserves the right to send referrals to outside agencies from which expert technical assistance may be requested. Fees may be assessed by referral agencies for their outside review, and those fees shall be assessed to and paid by the applicant.		
1. X denotes area in acres 2. Y denotes longitudinal distance in hundreds of feet		
The fees listed above are only an estimation of the review fees for the project. Any additional review fees accumulated over this amount will be assessed on a per hour basis plus 15% for administrative costs. If such additional amounts are not paid when required by the City, the City may suspend or terminate the review of the application.		

**CITY OF LONE TREE
RESOLUTION NO. 16-28**

**A RESOLUTION APPOINTING AND REAPPOINTING MEMBERS TO THE
ARTS COMMISSION FOR THE CITY OF LONE TREE**

WHEREAS, the City Council of the City of Lone Tree established an Arts Commission by Resolution 99-19 (the "Commission") to consider requests for sponsorship of or assistance with artistic and cultural events within the City; and

WHEREAS, Resolution 10-42 established the Commission membership to seven (7) members; and

WHEREAS, there are currently three vacancies on the Commission; and

WHEREAS, one of the members who currently occupy those expiring terms wish to be reappointed at the expiration of their term, qualifies for that seat and is a member in good standing.

WHEREAS, the City Council desires to appoint two members to the vacancy, such appointment to be effective on the date of expiration of the previous term;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF LONE TREE, COLORADO:**

1. That Sarah Heaton is hereby reappointed to the Arts Commission for a three (3) year term beginning on January 1, 2017 and expiring on December 31, 2019.
2. That Larry Lovelace is hereby appointed to the Arts Commission for a three (3) year term beginning on January 1, 2017 and expiring on December 31, 2019.
3. That Jennifer McGuire is hereby appointed to the Arts Commission for a three (3) year term beginning on January 1, 2017 and expiring on December 31, 2019.
4. That Jodi Urgitus is hereby appointed to the Arts Commission for a three (3) year term beginning on January 1, 2017 and expiring on December 31, 2019.

APPROVED AND ADOPTED THIS 6th DAY OF DECEMBER, 2016.

CITY OF LONE TREE

By: _____
Jacqueline A. Millet, Mayor

ATTEST:

Jennifer Pettinger, CMC, City Clerk

(S E A L)

**CITY OF LONE TREE
RESOLUTION NO. 16-29**

**A RESOLUTION REAPPOINTING A MEMBER TO THE
CITY OF LONE TREE AUDIT COMMITTEE**

WHEREAS, on May 6, 2003, the City Council of the City of Lone Tree adopted Resolution No. 03-14 creating the Audit Committee (the “Committee”), for the purpose of enhancing the independence of the external financial auditor and the reliability of the City’s financial statement audits; and

WHEREAS, Resolution 09-15, increased the membership of the Committee to consist of six (6) members: three (3) appointed City residents who are certified public accountants or otherwise possess the expertise and experience in accounting, auditing, financial reporting and finance needed to understand and resolve issues raised by the independent audit of the City’s finance statements; one (1) member of the City Council; the City Manager; and the City’s Chief Financial Officer. The City Manager and the City’s Chief Financial Officer serve as ex-officio, non-voting members; and

WHEREAS, the member who currently occupies the expiring term wishes to be re-appointed at the expiration of his term, qualifies for that seat and is a member in good standing.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LONE TREE, COLORADO:

1. That Peter Frenchman is hereby reappointed to the Committee for a three (3) year term beginning on January 1, 2017 and expiring on December 31, 2019.

APPROVED AND ADOPTED THIS 6th DAY OF DECEMBER, 2016.

CITY OF LONE TREE

Jacqueline A. Millet, Mayor

ATTEST:

Jennifer Pettinger, CMC, City Clerk

(S E A L)

**CITY OF LONE TREE
RESOLUTION NO. 16-30**

**A RESOLUTION REAPPOINTING MEMBERS OF
THE CITY OF LONE TREE BOARD OF ADJUSTMENT AND APPEALS**

WHEREAS, the City of Lone Tree Home Rule Charter, Article VII, Section 4, provides for a Board of Adjustment and Appeals (Board); and

WHEREAS, pursuant to Ordinance No. 14-6, which reconstituted the Board of Adjustment and Appeals, combining the duties of the separate Boards; and

WHEREAS, Section 2-5-10 of the Municipal Code established that the membership of the reconstituted Board of Adjustment and Appeals should consist of five members to be appointed by Resolution of the City Council; and

WHEREAS, the City Charter provides that the members of the Board of Adjustment and Appeals serve “overlapping” terms of three years; and

WHEREAS, there will be two vacancies on the Board on January 1, 2017; and

WHEREAS, two of the members who currently occupies those expiring terms wishes to be re-appointed, qualifies for that seat and are members in good standing and City Council desires to reappoint the members.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF LONE TREE, COLORADO:**

1. That Gary Godden is hereby reappointed to the Board of Adjustment and Appeals for a three (3) year term beginning on January 1, 2017 and expiring on December 31, 2019.
2. That Ivan Sarkissian is hereby reappointed to the Board of Adjustment and Appeals for a three (3) year term beginning on January 1, 2017 and expiring on December 31, 2019.

APPROVED AND ADOPTED THIS 6th DAY OF DECEMBER, 2016.

CITY OF LONE TREE

Jacqueline A. Millet, Mayor

ATTEST:

Jennifer Pettinger, CMC, City Clerk

(SEAL)

**CITY OF LONE TREE
RESOLUTION NO. 16-31**

**A RESOLUTION REAPPOINTING/APPOINTING MEMBERS TO THE CITIZENS'
RECREATION ADVISORY COMMITTEE FOR THE CITY OF LONE TREE**

WHEREAS, by Resolution No. 06-09, the City Council created the Citizens' Recreation Advisory Committee (the "Committee") which promotes the City's recreation opportunities and services, and develops recommendations to improve these opportunities and services; and

WHEREAS, Resolution No. 06-09, established the Committee membership to seven (7) members; and

WHEREAS, there will be 3 vacancies on the Committee beginning on January 1, 2017.

WHEREAS, a member who currently occupies the expiring term wishes to be re-appointed at the expiration of his term, qualifies for that seat and is a member in good standing; and

WHEREAS, the City Council desires to appoint a member to that vacancy, such appointment to be effective on the date of expiration of the previous term;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LONE TREE, COLORADO:

1. That Tom Kammer is hereby reappointed to the Citizens' Recreation Advisory Committee for a three (3) year term beginning on January 1, 2017 and expiring on December 31, 2019.
2. That John Ajie is hereby appointed to the Citizens' Recreation Advisory Committee for a three (3) year term beginning on January 1, 2017 and expiring on December 31, 2019.
3. That William Lyons is hereby appointed to the Citizens' Recreation Advisory Committee for a three (3) year term beginning on January 1, 2017 and expiring on December 31, 2019.

APPROVED AND ADOPTED THIS 6th DAY OF DECEMBER, 2016.

CITY OF LONE TREE

Jacqueline A. Millet, Mayor

ATTEST:

Jennifer Pettinger, CMC, City Clerk

(S E A L)

**CITY OF LONE TREE
RESOLUTION NO. 16-32**

**A RESOLUTION REAPPOINTING/APPOINTING MEMBERS OF THE CITY OF
LONE TREE PLANNING COMMISSION**

WHEREAS, pursuant to Ordinance No. 97-5, the City Council of the City of Lone Tree created a Planning Commission (“Commission”); and

WHEREAS, pursuant to Article VII, Section 3 of the Home Rule Charter of the City of Lone Tree, the City Council established guidelines concerning the appointment and qualifications of members of the Planning Commission; and

WHEREAS, on September 23, 2003, the Planning Commission adopted Guidelines and Procedures as authorized by City Ordinance No. 97-5, and the Guidelines and Procedures provide that each member shall serve until his or her term expires or until the City Council appoints a successor; and

WHEREAS, there will be 2 vacancies on the Commission beginning on January 1, 2017.

WHEREAS, a member who currently occupies that expiring term wishes to be re-appointed at the expiration of their term, qualifies for that seat and is a member in good standing.

WHEREAS, the City Council desires to appoint a member to that vacancy, such appointment to be effective on the date of expiration of the previous term;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LONE TREE, COLORADO:

1. That Daryl Heskin is hereby reappointed to the Planning Commission for a three (3) year term beginning on January 1, 2017 and expiring on December 31, 2019.
2. That Brian Bereit is hereby appointed to the Planning Commission for a three (3) year term beginning on January 1, 2017 and expiring on December 31, 2019.

APPROVED AND ADOPTED THIS 6th DAY OF DECEMBER, 2016.

THE CITY OF LONE TREE

Jacqueline A. Millet, Mayor

ATTEST

Jennifer Pettinger, CMC, City Clerk

(SEAL)

**CITY OF LONE TREE
RESOLUTION NO. 16-33**

**A RESOLUTION APPOINTING A MEMBER
TO THE YOUTH COMMISSION
FOR THE CITY OF LONE TREE**

WHEREAS, by Resolution 09-02, the City Council created the Youth Commission (the Commission) which advises the City on matters pertaining to youth and youth interest in the City of Lone Tree; and

WHEREAS, by Resolution 09-02, the Commission is comprised of not more than seven and not less than five resident members, all of whom are residents of Lone Tree and currently enrolled in 8th through 12th grade; and

WHEREAS, there is a vacancy on the Commission beginning October 31, 2016 due to the resignation of Jason Fisher on October 31, 2016. Mr. Fisher's term expires on August 31, 2017; and

WHEREAS, the City Council desires to appoint a member to that vacancy, such appointment to be effective on the date of expiration of the previous term

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LONE TREE, COLORADO:

That Noelle Harff is hereby appointed to the Youth Commission for the vacancy created by the resignation of Jason Fisher for the remainder of his term which expires on August 31, 2017. Noelle Harff's appointment is effective as of the date of Jason Fisher's resignation.

APPROVED AND ADOPTED THIS 6st DAY OF DECEMBER 6, 2016.

CITY OF LONE TREE

Jacqueline A. Millet, Mayor

ATTEST:

Jennifer Pettinger, CMC, City Clerk

(S E A L)



CITY OF LONE TREE
STAFF REPORT

TO: Mayor Millet and City Council

FROM: John P. Cotten, P.E.

DATE: November 30, 2016

FOR: December 6, 2016 Council meeting

SUBJECT: Resolution 16-34, AUTHORIZING THE PURCHASE OF REAL PROPERTY FOR CONSTRUCTION OF A PEDESTRIAN BRIDGE AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS

Summary

The parcel of land on the north side of Lincoln necessary for construction of the northern bridge landing, ramps and trail has received approval from the U.S. Internal Revenue Service. With this approval the City is able to close on the purchase of the property and associated easements. As such, Public Works is seeking Council approval move forward with all necessary documents to proceed to a closing on the property along with authorization for the City Manager to execute all documents related to the closing and purchase.

Resolution 16-34 authorizing this purchase is attached.

Cost

The cost of the property and easements is \$543,015.00 plus \$467.00 for the title policy and other miscellaneous costs of closing. The estimated total cost is not expected to exceed \$546,000.00.

Suggested Motion or Recommended Action

I recommend approval of the **Resolution 16-34, AUTHORIZING THE PURCHASE OF REAL PROPERTY FOR CONSTRUCTION OF A PEDESTRIAN BRIDGE AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS.**

Background

A purchase and sale agreement for purchase of the property and easements was approved by the Council and consummated earlier this year. In order to move forward with the purchase it was necessary to receive a release from the U.S.

Internal Revenue Service, which has a lien on the property, to allow for purchase of a portion of the lot. That release has now been secured.

Because the property being purchased is a portion of a platted lot, it will be necessary to do an administrative replat to split the lot and add the easements. The City Manager is authorized to execute that replat.

**CITY OF LONE TREE
RESOLUTION NO. 16-34**

**A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY
FOR CONSTRUCTION OF A PEDESTRIAN BRIDGE
AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS**

WHEREAS, Section 31-15-101, C.R.S. provides that municipalities may acquire real property; and

WHEREAS, Article XVI, Section 1 of the City Charter gives authority to the City to buy real property; and

WHEREAS, the City has entered into a Purchase and Sale Agreement regarding the acquisition of a certain portion of vacant land and easements, more particularly described herein (the "Property"), for the purpose of constructing a pedestrian bridge over Lincoln Avenue; and

WHEREAS, the City desires to purchase the Property according to the terms set forth in the Purchase and Sale Agreement; and

WHEREAS, the City has appropriated funds in its 2016 budget to acquire said Property; and

WHEREAS, a closing date has been proposed for the sale and purchase of the Property;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LONE TREE THAT:

1. The City Council hereby authorizes the purchase of the Property, located at 9550 Heritage Hills Circle, Lone Tree, Colorado 80124, legally described substantially as follows:

Pedestrian Parcel: A portion of Lot 4A, Heritage Hills Filing No. 1-F, according to the Plat thereof recorded November 22, 1999 under Reception No. 99098109 and according to the Lot Line Adjustment Certificate Recorded May 7, 2003 under Reception No. 2003067890, County of Douglas, State of Colorado.

Pedestrian Easement: A 30.00 Foot Strip of Land in Lot 4A, Heritage Hills Filing No. 1-F, according to the Plat thereof recorded November 22, 1999 under Reception No. 99098109 and according to the Lot Line Adjustment Certificate Recorded May 7, 2003 under Reception No. 2003067890, County of Douglas, State of Colorado.

Temporary Construction Easement: A portion of Lot 4A, Heritage Hills Filing No. 1-F, according to the Plat thereof recorded November 22, 1999 under Reception No. 99098109 and according to the Lot Line Adjustment Certificate Recorded May 7, 2003 under Reception No. 2003067890, County of Douglas, State of Colorado.

2. The City Manager, is hereby authorized and directed to execute such documents and take such action, upon advice of legal counsel, as is necessary and appropriate to effectuate the provisions of this Resolution and effectuate the purchase of the Property to comply with the requirements of law.

APPROVED AND ADOPTED THIS 6th DAY OF DECEMBER, 2016.

CITY OF LONE TREE

Jacqueline A. Millet, Mayor

ATTEST:

Jennifer Pettinger, CMC, City Clerk

(SEAL)



CITY OF LONE TREE
STAFF REPORT

TO: Mayor Millet and City Council

FROM: Jennifer Pettinger, CMC, City Clerk

DATE: November 30, 2016

FOR: December 6, 2016 City Council Meeting

SUBJECT: Resolution 16-35, Regarding Annual Administrative Matters for the City of Lone Tree for 2017

Summary

The annual administrative resolution is attached. Each year City Council approves an administrative resolution that confirms standard administrative procedures; directs and authorizes certain staff positions to perform city functions; and reaffirms previously approved service and financial agreements.

Suggested Motion

I move to approve Resolution 16-35, REGARDING ANNUAL ADMINISTRATIVE MATTERS FOR THE CITY OF LONE TREE FOR 2017.

Background

Highlights of the resolution include:

- Sets the time, place and location for City Council meetings and study sessions, refers to the rules of governance of such meetings, designates the location to post notice of such meetings and requires minutes be taken.
- Designates the Douglas County News-Press as the official newspaper in which all legal notices and publications shall be published.
- Describes the process for a City Council member to report receiving items in connection with his or her public service.
- Establishes the stipend for the Mayor and City Council members.
- Appoints myself as City Clerk and the Designated Election Official, John Cotten as Public Works Director, Gary White as City Attorney, and Louis Gresh as Municipal Judge and liquor license hearing officer.

- Directing the City Clerk to file annual liquor and beer code violations reports to the Colorado Department of Revenue and directing the Chief of Police to submit Arrestee Immigration Status Forms to the Office of the Legislative Council.
- Requires the preparation of, and sets the calendar for, the city budget and the filing of such budget with the Colorado Department of Local Affairs.
- Requires that an audit of financial statements be prepared and requires the filing of the audit report with the Colorado State Auditor.
- Directs the City Attorney to manage matters related to annual disclosure reports, contracts in effect with other political subdivisions, and unclaimed property.
- Reaffirms the zoning map and indicates it shall serve as the official city map.
- Reaffirms all existing contractual relationships, including with TTG Engineers and White Bear Ankele Tanaka & Waldron, P.C.
- Renews various annexation and sales tax rebate agreements that were previously agreed upon but are subject to annual appropriation.
- Directs the City Manager to insure the City, the Mayor, the City Council and city employees against liability for injury.

**CITY OF LONE TREE
RESOLUTION NO. 16-35**

**A RESOLUTION REGARDING
ANNUAL ADMINISTRATIVE MATTERS
FOR THE CITY OF LONE TREE FOR 2017**

WHEREAS, the City Council has a duty to perform certain obligations on a recurring basis in order to assure the efficient operation of the City; and

WHEREAS, the City Council has directed the administrative work of the City to be accomplished by its City Manager, City Clerk, Department Heads and consultants who act as the City Attorney, City Engineer, and Director of Public Works, (collectively the "Staff"); and

WHEREAS, the City Council desires to confirm certain general procedures for the conduct of its business and to authorize its elected officials and Staff to perform certain administrative activities; and

WHEREAS, the matters set forth in this Resolution are statements of intention, and may be modified by action of the City Council, from time to time, without prior notice except where required by law and without waiving on a continuing basis these or other policies established by the City and its Charter (the "Charter");

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LONE TREE, COLORADO:

1. Pursuant to Article IV, Section 1 & 2 of the Charter, the City Council determines to hold regular meetings on the 1st and 3rd Tuesday of every month at 6:00 p.m., at 8527 Lone Tree Parkway, in Lone Tree, Colorado. Study sessions may commence at 4:30 p.m. on each such date.
2. Should an individual City Council member or the Mayor choose to abstain from any particular matter on the agenda for reasons of potential conflict of interest, he or she shall be considered in attendance at the meeting for purposes of meeting quorum requirements.
3. The City Council has adopted Ordinance 07-06 establishing rules for the governance of City Council Meetings.
4. Pursuant to Article IV, Section 7 of the Charter, and in addition to Paragraph 1 of this Resolution, the City Council may hold study sessions as the Mayor or any two Council members may request upon at least twenty-four hours written notice to each Council member and by public notice through posting procedures established by this Resolution. No quorum shall be required at any such study session and no legally binding or formal action shall be taken at any such session.
5. Pursuant to Article IV, Section 4(a) of the Charter, City Council designates 9220 Kimmer Drive, Suite 100, Lone Tree, Colorado, as the posting place for notices of meetings, in

accordance with Section 24-6-402(2)(c), C.R.S., which were not otherwise posted under Title 31, C.R.S. The City Council directs the City Clerk to prepare notices for posting at the specified location.

6. The City Council designates the *Douglas County News-Press* as the newspaper of general circulation within the boundaries of the City, and wherein all legal notices and publications for the City shall be published, unless otherwise required by state law.

7. The City Manager shall be designated as the contact person with the Colorado Division of Local Government.

8. The City Council acknowledges that in accordance with section 24-6-203, C.R.S., each City Council member who receives from another person any item described in subsection (3) of that section in connection with his or her public service is required to file with the City Clerk on or before January 15, April 15, July 15, and October 15 of each year, on a form prescribed by the Secretary of State, a report covering the period since the last report. No report needs to be filed if a City Council member does not receive any of the described items.

9. Minutes of all City Council regular and special meetings shall be taken by the City Clerk stating only the subject matter and final action taken by City Council, together with such supplemental notes as are requested by the City Council members and which are approved by the Mayor or by majority vote of the City Council including the Mayor. Public meetings may be tape recorded for purposes of assisting the City Clerk to prepare accurately the official written Minutes. Tape recordings shall not constitute the official record of the City Council nor shall they constitute public records within the meaning of Colorado law. Each executive session discussion shall be electronically recorded as required by subsection 24-6-402(d.5)(I)(A), C.R.S., and each recording shall be retained for ninety (90) days after the date of the recording pursuant to subsection 24-6-402(d.5)(I)(E), C.R.S.

10. The City Council hereby appoints Jennifer Pettinger as the Lone Tree City Clerk and appoints the City Manager as the Lone Tree City Treasurer.

11. The City Council hereby appoints John Cotten as the Public Works Director and Greg Weeks as the City Engineer.

12. The City Council hereby appoints Gary R. White of White Bear Ankele Tanaka & Waldron, P.C., as the City Attorney, to act as the City Attorney in all legal matters, with authority to engage or use associates and/or special counsel as Mr. White deems appropriate after advising the City Council.

13. The City Council hereby reaffirms the appointment of Louis Gresh as the Lone Tree Municipal Judge with a fixed annual compensation of \$60, payable at \$5 per month. In addition to Judge Gresh's annual compensation, he will be compensated \$250 for the first two hours of each court session and \$125 for each additional hour.

14. The City Council hereby designates each of the following attorneys who possess the qualifications for the office to serve as a temporary judge on an ad hoc basis in Judge Gresh's absence: Brad Yoder, Zoe Cole and Beth Elliot Dumler. The City Council hereby sets temporary judge's compensation to be fixed at \$250 for the first two hours of each court session and \$125 for each additional hour.

15. The City Council hereby appoints Louis Gresh as Hearing Officer for the City of Lone Tree Local Liquor Licensing Authority Compliance Division and Administrative Appeal Officer for the City of Lone Tree Sexually Oriented Businesses Licensing with compensation to be fixed at \$250 for the first two hours of each session and \$125 for each additional hour.

16. The City Clerk is hereby appointed as the "Designated Election Official" of the City for any elections to be held by the City. In accordance with Title 31, C.R.S., the City Council hereby grants all powers and authority for the proper conduct of the election to the Designated Election Official, including but not limited to appointing election judges, appointing a canvass board and cancellation, if applicable, of the election.

17. The City Council hereby appoints the Zoning and Development Services Coordinator to be the City Forester. The duties of the City Forester are as stated in the City of Lone Tree Resolution 01-21, and any previous appointment to that position is hereby repealed.

18. The City Manager shall have the authority to enter into Subdivision Improvement Agreements, Site Improvement Plan Improvements Agreements and Public Improvements Agreements on behalf of the City, such agreements to be substantially similar in form and substance to the standard forms approved by the City. The City Manager shall also have the authority to enter into and amend easement, license and other administrative documents on behalf of the City.

19. In accordance with section 6-1-210 of the Municipal Code, the City Manager shall have the authority to conduct all administrative matters related to the City of Lone Tree Local Liquor Licensing Authority that do not require a public hearing.

20. The City Manager directs the City Clerk to prepare and file the annual Liquor and Beer Code Violation Hearing Report Form with the Colorado Department of Revenue no later than January 8, 2017.

21. The City Manager directs the Chief of Police to complete the Arrestee Immigration Status Form (SB06-90) and submit to the Office of the Legislative Council no later than March 1, 2017.

22. The City Treasurer shall be responsible for preparation of the budget for the City, shall manage the accounting and auditing services for the City to be performed by such persons as are authorized by the City Council, shall manage the public funds in accordance with all applicable Colorado laws and only by direction of the City Council, and shall report to the City Council on a monthly basis in written form the status of the City's financial accounts and records.

23. The City Manager shall direct Staff to submit a proposed budget to the City Council by October 15, 2017 and to schedule a public hearing on the proposed budget; to prepare a final budget and budget resolution, to prepare amendments to the budget if necessary, and to file the approved budget and any amendments thereto with the proper governmental entities in accordance with the Local Government Budget Law of Colorado, sections 29-1-101 to 29-1-115, C.R.S.

24. The City Manager shall direct the Finance Director to file a certified copy of the budget to the Department of Local Governments in accordance with the Local Government Budget Law of Colorado, sections 29-1-113, C.R.S.

25. The City Council directs the City Attorney to oversee the preparation of any continuing annual disclosure report required to be filed in accordance with the Securities Exchange Commission Rule 15c2-12, if required.

26. The City Council directs the City Attorney to prepare and file an informational listing of all contracts in effect with other political subdivisions with the Division of Local Government on or before February 1, 2017, as required by section 29-1-205, C.R.S.

27. The City Council directs the City Attorney to prepare the Unclaimed Property Act report and forward to the State Treasurer by November 1, 2017, if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with section 38-13-110, C.R.S., if required.

28. The zoning map, as amended from time to time, shall be the official City map. A copy of the official City map, showing the City's boundaries, is attached as Appendix A and shall be kept on file at the offices of the Community Development Director, 9220 Kimmer Drive, in Lone Tree, Colorado, and shall be available for examination by all interested persons.

29. As of this date, the City Council hereby reaffirms all existing contractual relationships subject to annual appropriation, including, but not limited to, contractual relationships with TTG Engineers and White Bear Ankele Tanaka & Waldron, P.C..

30. The following agreements concerning annexation and sales tax rebate arrangements are subject to annual appropriation and are deemed renewed:

- i. Agreement with Colony Investments, Inc.
- ii. Agreement with Park Meadows Business Improvement District
- iii. Agreement with Cabela's Wholesale Inc.
- iv. Agreement with Kaiser Foundation Hospitals
- v. Agreement with tw Telecom Inc.
- vi. Agreement with Best Buy

31. The City Council directs that an audit of the financial statements be prepared and submitted to the City Council within six (6) months after fiscal year end. The City Council further directs that the audit be filed with the State Auditor no later than thirty (30) days after the fiscal year audit is received by the City, as required by section 29-1-603, C.R.S.

32. The City Manager shall direct the Finance Director to forward a copy of the audit report to the state auditor within thirty days after receipt of said audit in accordance with Local Government Budget Law of Colorado, section 29-1-606, C.R.S.

33. The City Council directs the City Manager to obtain proposals for insurance and to insure the City against all or any part of the City's liability for injury, to insure the Mayor, City Council members, and City employees acting within the scope of employment by the City Council against all or any part of such liability for any injury, and to insure against the expense of defending a claim for injury against the City or its City Council. The City Council will annually review all insurance policies in effect.

34. The fee schedules contained in past resolutions or ordinances for services which might be provided by the City to members of the public, including certification of documents, notarization of signatures, and other activities shall be extended indefinitely. Any resolution or ordinance concerning fee schedules that is passed subsequent to this Resolution shall supersede the provisions of this section.

35. City Council members and the Mayor shall continue to receive a stipend in the amount established under the immediately preceding version of this Resolution plus 3% thereof as contemplated by the Charter.

36. These procedures, rules, and duties may be supplemented from time to time in written format either by adoption of additional resolutions or by action reflected in the minutes for the City Council.

37. The effective date of this resolution is January 1, 2017.

ADOPTED AND APPROVED THIS 6th DAY OF DECEMBER, 2016.

CITY OF LONE TREE

By: _____
Jacqueline A. Millet, Mayor

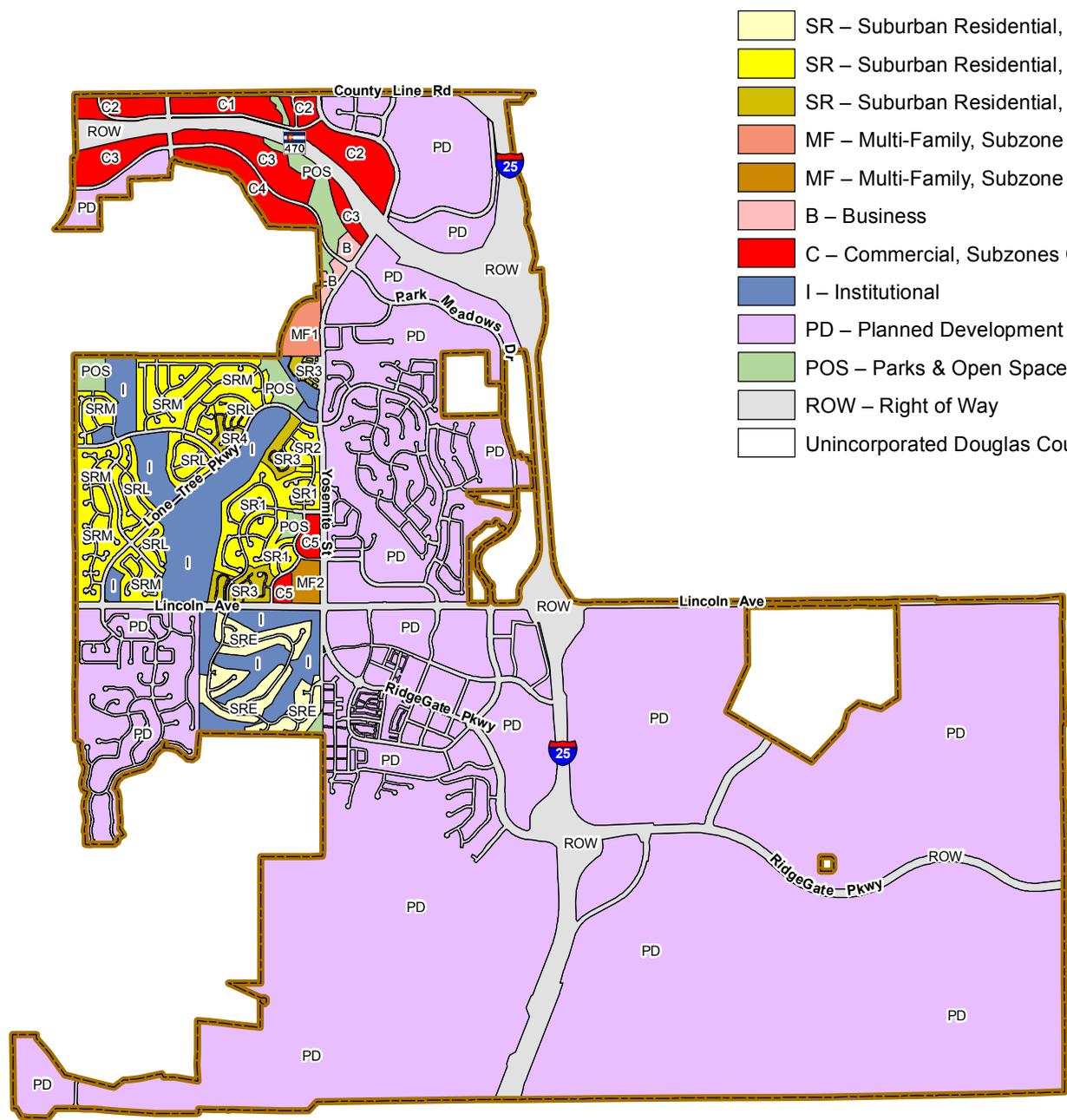
ATTEST:

(S E A L)

Jennifer Pettinger, CMC, City Clerk

Appendix A (Zoning Map)

City of Lone Tree Zoning Map



- SR – Suburban Residential, Subzone SRE
- SR – Suburban Residential, Subzones SR1, SR2, SRL & SRM
- SR – Suburban Residential, Subzones SR3 & SR4
- MF – Multi-Family, Subzone MF1
- MF – Multi-Family, Subzone MF2
- B – Business
- C – Commercial, Subzones C1-C5
- I – Institutional
- PD – Planned Development
- POS – Parks & Open Space
- ROW – Right of Way
- Unincorporated Douglas County



I hereby certify that this is the Official Zoning Map of the City of Lone Tree duly adopted by Ordinance 09-09 on December 15, 2009 and reaffirmed by Resolution 16-35 on December 6, 2016.

 Jacqueline A. Millet, Mayor

Attest:

The City has numerous Planned Development (PD) zonings. Specific PDs are noted on the City's website (www.cityoflonetree.com), or contact the Community Development Department for more information at 303-708-1818