

*THE JANUARY 8, 2019 COUNCIL PACKET MAY BE VIEWED
BY GOING TO THE TOWN OF FRISCO WEBSITE.*

**RECORD OF PROCEEDINGS
WORK SESSION MEETING AGENDA OF THE
TOWN COUNCIL OF THE TOWN OF FRISCO
JANUARY 8, 2019
4:00PM**

Agenda Item #1: Workforce Housing Discussion 4:00pm

Agenda Item #2: Main Street Residential Discussion 5:15pm

Agenda Item #3: Liquor Licensing Authority 101 5:30pm

**RECORD OF PROCEEDINGS
REGULAR MEETING AGENDA OF THE
TOWN COUNCIL OF THE TOWN OF FRISCO
JANUARY 8, 2019
7:00PM**

**STARTING TIMES INDICATED FOR AGENDA ITEMS ARE ESTIMATES ONLY AND
MAY CHANGE**

Call to Order: Gary Wilkinson, Mayor

Roll Call: Gary Wilkinson, Jessica Burley, Daniel Fallon, Rick Ihnken, Hunter Mortensen, Deborah Shaner, and Melissa Sherburne

Public Comments: Citizens making comments during Public Comments or Public Hearings should state their names and addresses for the record, be topic-specific, and limit comments to no longer than three minutes.

NO COUNCIL ACTION IS TAKEN ON PUBLIC COMMENTS. COUNCIL WILL TAKE ALL COMMENTS UNDER ADVISEMENT AND IF A COUNCIL RESPONSE IS APPROPRIATE THE INDIVIDUAL MAKING THE COMMENT WILL RECEIVE A FORMAL RESPONSE FROM THE TOWN AT A LATER DATE.

Mayor and Council Comments:

Staff Updates:

Consent Agenda:

Minutes December 11, 2018 Meeting
Minutes December 17, 2018 Meeting
Resolution 19-01, Public Place for Posting Notices
Resolution 19-02, Designation of Official Publications
Resolution 19-03, 2019 No Pet Events
Resolution 19-04, 2019 Street Closures
Resolution 19-06, Marina Park Master Plan Projects Reimbursements

Town Manager Employment Agreement
HBL Consulting Agreement

New Business:

Agenda Item #1: New Hotel and Restaurant Liquor License – Carlos Mexican Bar and Grill LLC dba Carlos Mexican Bar and Grill STAFF: DEBORAH WOHLMUTH 1) MAYOR OPENS PUBLIC HEARING 2) STAFF REPORT 3) PUBLIC COMMENTS 4) MAYOR CLOSSES PUBLIC HEARING 5) COUNCIL DISCUSSION 6) MOTION MADE 7) MOTION SECONDED 8) DISCUSSION ON MOTION 9) QUESTION CALLED

Agenda Item #2: Resolution 19-05, Sole Source Owners Representative Services Peninsula Recreation Area STAFF: DIANE MCBRIDE 1) MAYOR OPENS PUBLIC HEARING 2) STAFF REPORT 3) PUBLIC COMMENTS 4) MAYOR CLOSSES PUBLIC HEARING 5) COUNCIL DISCUSSION 6) MOTION MADE 7) MOTION SECONDED 8) DISCUSSION ON MOTION 9) QUESTION CALLED

Agenda Item #3: First Reading Ordinance 19-01, an Ordinance Authorizing the Issuance By the Town of Frisco, Acting By and Through Its Marina Enterprise, of Marina Enterprise Revenue Bonds, Series 2019, in an Aggregate Principal Amount Not To Exceed \$6,000,000 for the Purpose of Financing the Construction of Certain Capital Improvements to the Marina Facilities; Prescribing the Form of Such Series 2019 Bonds and Providing Other Details in Connection Therewith STAFF: BONNIE MOINET 1) MAYOR OPENS PUBLIC HEARING 2) STAFF REPORT 3) PUBLIC COMMENTS 4) MAYOR CLOSSES PUBLIC HEARING 5) COUNCIL DISCUSSION 6) MOTION MADE 7) MOTION SECONDED 8) DISCUSSION ON MOTION 9) QUESTION CALLED

Old Business:

Agenda Item #4: Second Reading Ordinance 18-15, an Ordinance Amending Chapter 53 of the Code of Ordinances of the Town of Frisco, Colorado, Concerning Alcoholic Beverages, by Amending All References Within Chapter 53 to the Colorado Beer Code, the Colorado Liquor Code, and the Colorado Special Event Liquor Permits Statutes to Reflect the State of Colorado's Recent Recodification of Said Codes and Statutes; and by Amending Section 53-18, Concerning Alcoholic Beverage Tastings, to Reflect Recent Substantive Amendments to the Colorado Statutory Provisions that Concern Alcoholic Beverage Tastings STAFF: DEBORAH WOHLMUTH 1) MAYOR OPENS PUBLIC HEARING 2) STAFF REPORT 3) PUBLIC COMMENTS 4) MAYOR CLOSSES PUBLIC HEARING 5) COUNCIL DISCUSSION 6) MOTION MADE 7) MOTION SECONDED 8) DISCUSSION ON MOTION 9) QUESTION CALLED

Agenda Item #5: Second Reading Ordinance 18-16, an Ordinance Amending Chapter 127 of the Code of Ordinances of the Town of Frisco, Colorado, Concerning Offenses, by Amending Section 127-7, Concerning Public Consumption of an Alcoholic Beverage and Possession of an Open Container, to Properly Set Forth All References therein to the Colorado Liquor Code Which Liquor Code was Recently Recodified by the State of Colorado STAFF: DEBORAH WOHLMUTH 1) MAYOR OPENS PUBLIC HEARING 2) STAFF REPORT 3) PUBLIC COMMENTS 4) MAYOR CLOSSES PUBLIC HEARING 5) COUNCIL DISCUSSION 6) MOTION MADE 7) MOTION SECONDED 8) DISCUSSION ON MOTION 9) QUESTION CALLED

Agenda Item #6: Second Reading Ordinance 18-10, an Ordinance Amending Chapter 110 of the Code of Ordinances of the Town of Frisco, Concerning the Licensing of Businesses, by Adding a New Article III, Concerning the Licensing and Regulation of Short-Term Rentals Within the Town STAFF: CHAD MOST 1) MAYOR OPENS PUBLIC HEARING 2) STAFF REPORT 3) PUBLIC COMMENTS 4) MAYOR CLOSSES PUBLIC HEARING 5) COUNCIL DISCUSSION 6) MOTION MADE 7) MOTION SECONDED 8) DISCUSSION ON MOTION 9) QUESTION CALLED

Adjourn:



MEMORANDUM

TO: MAYOR AND TOWN COUNCIL
FROM: JOYCE ALLGAIER, COMMUNITY DEVELOPMENT DIRECTOR
RE: COUNCIL DISCUSSION – STRATEGIC HOUSING WORK SESSION
DATE: JANUARY 8, 2019

Summary: Council has requested continued discussions about work force housing in order to strategically move forward on the housing front.

Based on input from your previous housing work session on November 13, 2018, and discussions with Interim Town Manager, Diane McBride, staff has outlined a list of discussion items that are pertinent to this topic. This is likely too much to talk about in a one hour work session, but by having these topics listed, the council can work through them over time.

1. Update on Lake Hill – Clarification of process and the town’s role
2. 3-Year Strategic Approach for Housing Action
3. Buy-down Concepts – Background information for ideas to help tailor a buy-down program for Frisco
4. Frisco’s Housing Goals – An important foundation

Background Information:

Update on Lake Hill – Attached in this packet is a graphic that reflects the status of and next steps for the Lake Hill Neighborhood Master Plan. The purpose of this chart is to help increase understanding about what to expect for next steps along a proposed timeline (as best can be determined). Staff would also like to confirm the town’s level of commitment and role in the Lake Hill project so that the recently formed “Lake Hill Work Group” can effectively represent the town. (Dan Fallon, Rick Inken, Diane McBride, and Joyce Allgaier are TOF members in the group.)

3-Year Strategic Approach for Housing Action – On December 20, 2018, staff convened a group comprised of housing development experts, construction professionals, planners, and town staff. Our goal was to springboard off of the work done by the Frisco Housing Task Force and come up with a strategic 3-year plan for housing action. We met for 2.5 hours to answer the question, “What are the next best steps for housing over the short term?” We focused on critical criteria such as:

- Practical and nimble use of 5A funds and other ways of funding a project
- Partnership availability and readiness
- Amount of political pushback regarding project and site
- Appropriateness of land use to the neighborhood vicinity
- Desired role of the town as owner? Seller? Manager?

- Financial viability through tactical funding and “bang for the buck”
- Development logistics – affordability, typology, “can we get it done”?

A summary of this meeting is attached and outlines a strategy for moving forward in the short term (3 years). It includes an overview and recommendation that includes:

- Priority
- Action approach
- Opportunities
- Type of unit (rental or ownership)
- Resource \$\$ allocation

Staff will provide an explanation of what the summary matrix puts forth. The key recommendation is to proceed with the CDOT property potentially through with 5A funds coupled with revenues from the sale of the Sabatini lot. There is discussion about an option to move ahead with CDOT by buying the property outright through a purchase and sales agreement. The P&S agreement would include conditions to meet CDOT goals. In this scenario the town would manage the design, permitting, development contracting, and future management over the long term as a separate entity (likely with a management company). A key decision for the council will be regarding this approach (to buy land soon). Staff has contacted CDOT to float the idea and will know more by meeting time. Bonnie Moinet will provide additional information about the financial implications on the projects.

Buy-down Program Examples – Background information from Vail, Denver, and Breckenridge are included as an attachment to show how other communities are using the tool of buy downs as a strategy to gain deed restricted housing. While these models are helpful to show what can be done, staff believes that the Town of Frisco’s approach to buy downs should start with a discussion about what council wants to achieve; in essence what are your goals for a buy down program?

In discussions with staff, George Ruther, Director of Housing for the Town of Vail, has offered to present to Frisco about Vail’s experience and how they tailored their VailINDEED program to meet specific goals.

Frisco’s Housing Goals – Staff suggests that at a future meeting, Council undertake a discussion on its specific goals for housing. This would be especially helpful in identifying a goal for a number of units within a time period, target demographic, housing types, desired percentage of Frisco workforce to house, to support budget decisions, in structuring a buy-down program, and allocating funds to different projects, among other reasons to have a clear foundation based on these goals.

Discussion Questions/Points: (Note for 1/8/19. Staff wrote these questions to assist in your work session of 11/13/18 and will keep these as core questions for the sake of discussion.)

We have posed some threshold questions that may assist in framing up an approach and goals.

- What are the town’s best options – considering budget and partnership opportunities?
- What type of housing is most pressing to address at this point? What type of worker do you want to target, considering the above? Rental, AMI, sale?

- “For sale” units allow for more immediate financial return to regenerate the budget and allows the town to be more nimble with a ready budget, while rental units are in high demand and have a longer payback time. (The countywide needs assessment shows that the Ten Mile Basin is in need of a variety of housing types and price points.)
- What is the best opportunity for the next project? What might be considered “low hanging fruit” that the town can move forward with? Where would there be the greatest community support or least amount of opposition in order to move forward?
- What project takes best advantage of a partner who is willing to move forward soon?
- What role does the town want to play in the housing equation? (This question can be thought of broadly over the long term, or project-specific.) At this time, the town has limited capacity to be a designer, developer, housing manager or landlord but has some opportunity to provide land, and/or be a partner with the land of others. The town has options to put a project out to bid on its land (Sabatini, 1st & Main, Granite, etc.) and sell the project to a developer and/or manager (for rental).
- While usually accomplished one unit at a time, what kind of priority does the town place on buy-downs? Shall the town designate funds for this purpose when needed so it may act quickly when an opportunity arises?

Staff very much believes in the importance of a strategic approach to moving a project forward to fruition. Once a project is decided upon, we stand ready to assist in public outreach and helping citizens understand the overall importance of workforce housing to a sustainable community, to creating educational materials, video, and images to show what the project would look like, and otherwise, keep the community tuned into housing efforts.

Below is an excerpt from the 2019 Frisco Town Budget that shows the SCHA revenues and town expenditures. Finance Director, Bonnie Moinet will be present at your work session to assist with budget implications, options, and financing questions.

Attachments:

Lake Hill Progress Continuum Graphic
 Summary of 3-Year Housing Strategy Meeting
 Frisco Housing Strategy Session Presentation
 Buy-down Examples

	A	B	C	D	E	F
	Account	Account	2017	2018	Estimated	Proposed
	Number	Title	Actual	Budget	2018	2019
					Year End	Budget
4		REVENUES:				
5	55-5500-3007	County Sales Tax	\$1,285,175	\$1,080,000	\$1,100,000	\$1,100,000
6	55-5500-3101	Interest on Investments - 5A Portion of Allocation	\$13,209	\$7,000	\$15,000	\$9,000
7	55-5500-3110	Sale of Town property - Staley House/Galena Units	\$0	\$1,514,000	\$1,361,813	\$0
8	55-5500-3115	Rental Income	\$0	\$0	\$5,860	\$70,320
9	55-5500-3222	Miscellaneous Income	\$0	\$0	\$0	\$0
10	55-5500-3310	Building Permits and Fees	\$36,745	\$165,000	\$115,000	\$115,000
11		TOTAL REVENUES	\$1,335,129	\$2,766,000	\$2,597,673	\$1,294,320
12						
13		EXPENDITURES				
14	55-5500-4262	Capital Projects	\$0	\$2,850,000	\$855,000	\$2,000,000
15	55-5500-4263	Mary Ruth Place Project	\$120,292	\$0	\$1,150,000	\$0
16	55-5500-4264	113 Granite Project	\$206	\$0	\$0	\$0
17	55-5500-4265	3rd Avenue Project	\$206	\$0	\$0	\$0
18	55-5500-4270	Rental Expenses	\$0	\$0	\$4,050	\$14,490
19	55-5500-4276	Community Outreach	\$10,888	\$2,000	\$10,000	\$10,000
20	55-5500-4365	Administration Expense	\$49,510	\$126,320	\$65,000	\$68,250
21		TOTAL EXPENDITURES	\$181,102	\$2,978,320	\$2,084,050	\$2,092,740
22						

Lake Hill Neighborhood – A Continuum of Progress

Summer
2000

- TOF sets Lake Hill Vision and USFS Acquisition in Motion
- Feasibility Studies, turn over to Summit County in 2011

July 2014 -
Feb 2016

- Act of Congress -Lake Hill Affordable Housing Act passes
- Land Transferred from USFS to Summit County in 2016

2016 - May
2017

- Lake Hill Master Planning Begins w/ TOF, citizens
- Master Plan completed in May 2017

January - July
2019

- Impact Analysis and Report Preparation Underway by EPS
- TOF/County participate in impact report and CDOT study

Summer
2019

- Evaluation of Impact Analysis by Lake Hill Work Group
- Infrastructure Negotiations between TOF & County begin

Fall 2019

- Rezoning & PUD Approval Process begins
- Ongoing discussions and negotiations between TOF & County

Fall/Winter
2019/2020

- Construction Phasing & Infrastructure Plan developed
- Realistic funding and phasing options identified

2020

- Develop Construction Implementation Strategies
- Identify developers, partnerships, businesses, to go verticle



Frisco 3-Year Housing Strategy Meeting Summary 12/20/18

Affiliation	Attendees
Town of Frisco	Joyce Allgaier
Town of Frisco	Bill Gibson
Town of Frisco	Bonnie Moinet
Town of Frisco	Diane McBride
NV5	Tyler Lundsgaard
NV5/Frisco resident	Chris Guarino
Bowman Consulting/resident	Mark Sabatini
Compass Homes	Blake Shutler
Copper Mountain	Graeme Bilenduke
Frisco Town Council	Dan Fallon
Norris Design	Elena Scott
Norris Design	Lindsay Newman

3-Year Plan Outcome:

- *Create a strategy for Town Council that prioritizes the Town's workforce housing resource allocations for the next three years.*
 - CDOT site is highest priority. Pursue rental development on the site.
 - Sabatini lot has a high market value and should be sold. Most efficiently developed with adjacent property owner. Consider attaching conditions to sale (workforce units, public parking).
 - Because resources are finite, multiple partnership structures should be considered for each parcel.
 - Focusing 3-year efforts on projects in the town core.

Funding Considerations

- Have 4-6 million available in 5A funds over the next 3-5 years.
- Current (late 2018) costs for construction (without land) \$250K / unit.
- More funding options to be discussed at work session

<i>Priority</i>	<i>Location</i>	<i>Action</i>	<i>Opportunities</i>	<i>Rental or Ownership</i>	<i>Resource Allocation \$\$</i>
1	CDOT	<ul style="list-style-type: none"> Aggressively pursue rental development on this site – 2019 design, 2020 construct, finalize realistic MOU Create financial partnership (i.e. CDOT donates land, town coordinates development process and waives permitting fees, tap fees, etc.) Purchase the land from CDOT with an agreement with conditions –town has long-term ownership retainment, can lead design/permit process CDOT transfers land as contribution and create agreement to negotiate what terms. 	<ul style="list-style-type: none"> Partnership with CDOT, developers and/or local businesses Potential density bonus \$ allocation from Sabatini lot 50/5/5 Plan to engage local businesses at a more realistic participation cost / capital infusion Consider alternative building design options that cater to the workforce (suites, traditional) Buy property = provides collateral to the town, town has more flexibility with planning, design, contracting, ownership/management decisions, etc. 	Rental	(-) 3-4 million (1.8M value as of 2015 appraisal)
2	Sabatini Lot	<ul style="list-style-type: none"> Sell lot to developer to master plan in conjunction with adjacent parcel Utilize funds from sale / density bonus allocation for CDOT project Hold onto property for other civic purpose but find CDOT funding options? 	<ul style="list-style-type: none"> Town should consider public parking and deed restricted units in sale Incorporate mixed-use at 3rd Street frontage Possible fee in lieu paid for bonus unit mitigation 	Ownership	(+) 1.7-2 million
3	Centura	<ul style="list-style-type: none"> Continue to pursue partnership options with Centura, School District and others. 2021 project 	<ul style="list-style-type: none"> Highest density yield available on this site (i.e. 30+units with surface parking) 2020 window, partnership begins in 2019 	Rental	(-) 2-3 million
4	113 Granite	<ul style="list-style-type: none"> Hold (this site already has employee units, needs to be part of a plan with adjacent town properties) 	<ul style="list-style-type: none"> Complete a master plan with 1st and Main and Historic Park Must be a context sensitive design solution 	Rental or Ownership	TBD

Opportunities and Considerations Discussion:

1. CDOT:

- Clear partnership opportunity, public project, more recession proof
- Ideal site for rental
- Least political pushback, "historic" expectation that lot would be for housing
- Create a town-dictated timeline
- Could help alleviate town core parking issues, residents could walk to work or transit
- Study alternative unit typologies
- CDOT could donate land in exchange for master lease. Rent as revenue stream to offset costs
- Consider including market rate to lessen cost of development

2. Sabatini:

- Should be developed with adjacent property
- Should have mixed-use or live/work component
- Include public parking on site as a requirement of sale
- Ownership – market rate and deed restricted options (use of bonus incentive)
- Ability to provide density bonus units at CDOT or other alternative location (or financial contribution)

3. Centura:

- School District has recently developed a Housing Task Force and Frisco should reach out to them for possible involvement with the project
- Potential opportunity to partner with school on this site
- Access road has a lot of traffic – school, Xcel, Public Works
- Centura only needs 5-6 units, however the site can accommodate closer to 30+
- Ideal site for rental

4. 113 Granite:

- Possible political pushback because of Historical Overlay District zoning.
- Could designate this site as park and develop pocket park at 3rd and Granite.
- Historic Park is undergoing a 'site plan' process in 2019
- Ownership – market rate and deed restricted options.
- Viable location for residential/commercial expansion at 1st and Main and 113 should be master planned with that property due to sensitivity of site and compatibility with the historic park.

Other Considerations:

- Lake Hill is a valuable and important workforce housing project, sometime in the future. (Clarity regarding the implementation of the Lake Hill project will be forthcoming with the completion of the EPS impact study and collaboration with Summit County.
- Buy downs - Continue to pursue, determine what Frisco's program should be including goals, budget allocated yearly, purchase guidelines (target worker, cost, % of budget)
- Market indicators (from the sale of new workforce housing indicates that some types of housing may be filling up. Also, give care to mix of deed restricted and free-market in same project due to lack of desirability (by developers, future owners)
- Community Center – to be financially feasible the Community Center would need to be demolished and site redeveloped with residential and mixed use
- Community Outreach
 - Celebrate accomplishments and successes with PR campaign

- Discuss next steps with the community as part of a housing strategic plan process
 - Engage community with images, video, opportunity for input
- What is the town's appetite for borrowing – 5A revenue stream is finite and currently ends in 2026
- Allow offsite location of deed restricted units or fee in lieu from Sabatini land sale
 - Could be allocated towards Centura or CDOT
 - Anecdotally, developer would be willing to pay \$50k per unit required by density bonus
- HOA dues for deed restricted unit mixed in with market rate development can be a challenge
 - Set HOA dues proportionally to County assessed value of unit
- 50/5/5 Plan Concept
 - Business owners pay 50k to provide rentals for their employees over 5-year period
 - 5% return on investment after 5 years. Can have option to reinvest.
- Need to balance housing type and need holistically across all available sites

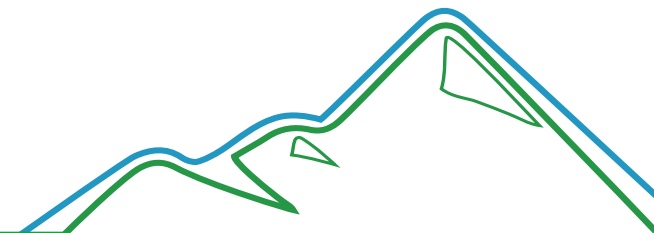
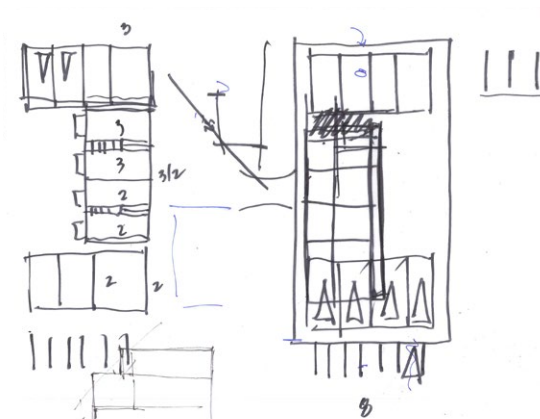
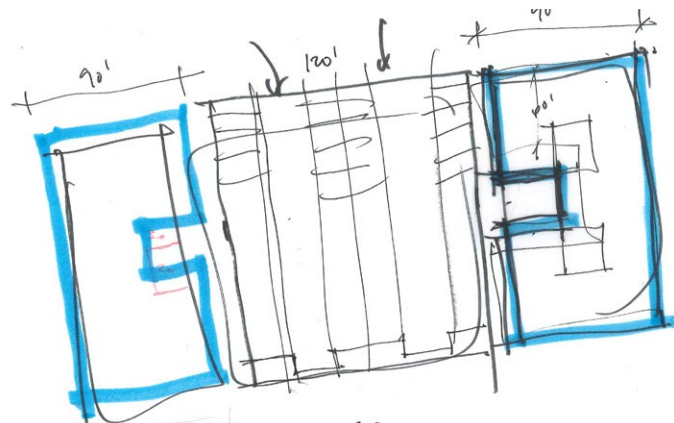


FRISCO HOUSING STRATEGY SESSION

CONSIDERATIONS

IMPLEMENTATION CRITERIA:

- POLITICAL FEASIBILITY / PUSH BACK
- TIMING
- ZONING CONSTRAINTS
- PARKING
- NEIGHBORHOOD COMPATIBILITY
- COST

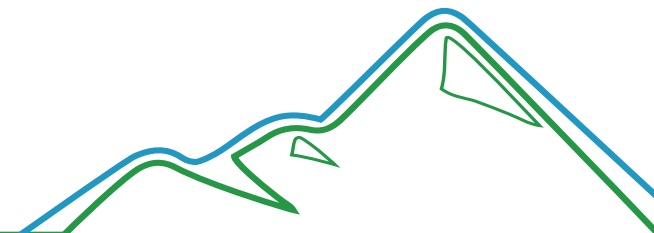


STUDY SITES



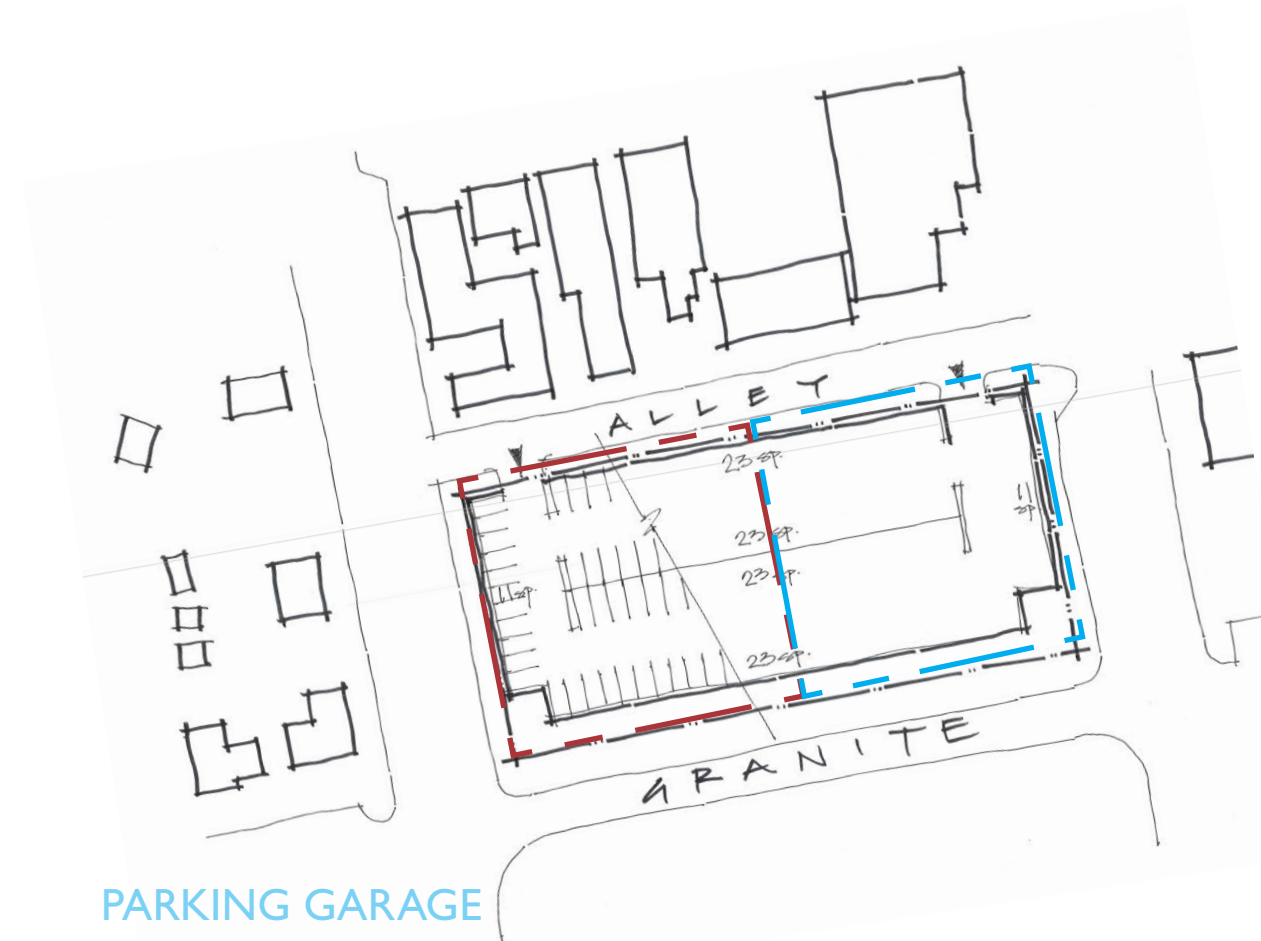
FRISCO PRIORITY HOUSING SITES

Site	Size	Owner	Zoning	Status / Existing Condition	Height Limitation	Previous Yield Studies	Rental / Ownership
113 Granite St.	.25 Acres	Town of Frisco	<ul style="list-style-type: none"> Central Core 16 units / acre + Density Bonus Historic Overlay District 	<ul style="list-style-type: none"> Two employee units on site Adjacent to historic park need to consider: <ul style="list-style-type: none"> Scale Community context 	40' Pitched 35' Flat	8 townhomes (would require the removal of the existing two units)	Rental or ownership



FRISCO PRIORITY HOUSING SITES

Site	Size	Owner	Zoning	Status / Existing Condition	Height Limitation	Previous Yield Studies	Rental / Ownership
Sabatini Lot	.48 Acres	Town of Frisco	<ul style="list-style-type: none"> Central Core 16 units / acre + Density Bonus 	<ul style="list-style-type: none"> Vacant ToF has had discussions to use lot as parking structure Potential to partner with adjacent property owner Desirable development site 	<ul style="list-style-type: none"> 40' Pitched 35' Flat 	<ul style="list-style-type: none"> ToF owned lot: <ul style="list-style-type: none"> 24 units 38 surface parking spaces Whole block: <ul style="list-style-type: none"> 114 underground parking spaces 60 condo units 	Rental or ownership

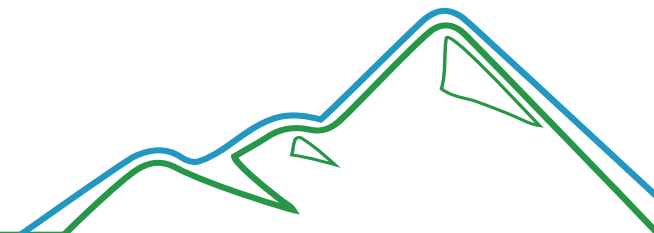


PARKING GARAGE

- 114 spaces on the entire site
- Approximately 50 spaces on Sabatini Lot

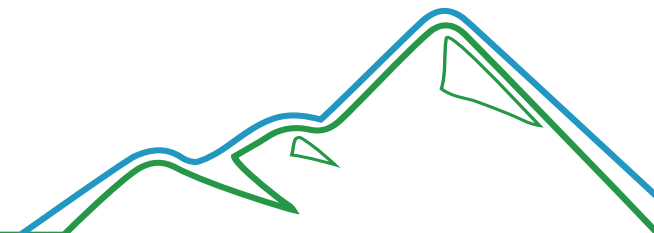
FRISCO PRIORITY HOUSING SITES

Site	Size	Owner	Zoning	Status / Existing Condition	Height Limitation	Previous Yield Studies	Rental / Ownership
CDOT Lot	.56 Acres	CDOT	<ul style="list-style-type: none"> • Central Core • 16 units / acre • + Density Bonus 	<ul style="list-style-type: none"> • Owner wants a partnership with ToF • Top priority CDOT project in the state • CDOT's goal: <ul style="list-style-type: none"> • Design 2019 • Construction 2020 	40' Pitched 35' Flat	24 units	Rental



FRISCO PRIORITY HOUSING SITES

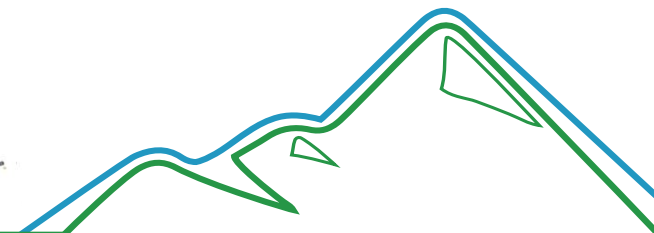
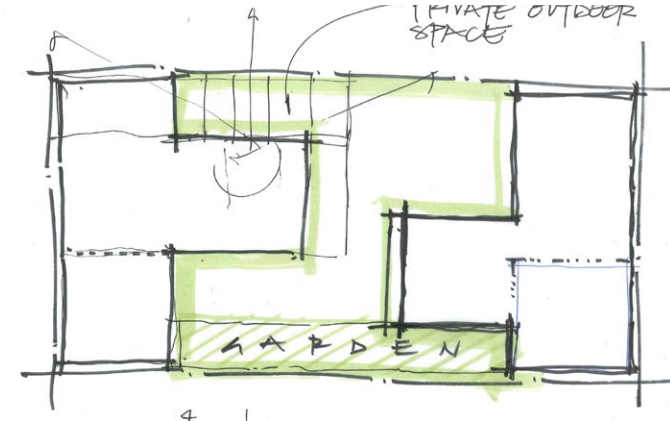
Site	Size	Owner	Zoning	Status / Existing Condition	Height Limitation	Previous Yield Studies	Rental / Ownership
Centura Lot	1.2 Acres	Centura	<ul style="list-style-type: none"> Light Industrial Rezone Required 	<ul style="list-style-type: none"> Owner wants a 50/50 partnership Frisco MOB under construction 2019 	45' Pitched 35' Flat	30 multi-family units	Rental



CONSIDERATIONS

STRATEGIC FACTORS:

- TYPOLOGY
- EFFICIENCY & DENSITY
- MARKET RATE SITE VALUE
- COMMUNITY VALUE
- TOWN'S ROLE / PARTNERSHIP
- BEST USE OF SITE
- FISCAL RESPONSIBILITY / BANG FOR THE BUCK



TOWN OF BRECKENRIDGE BUY-DOWN STRATEGY (Sept 27, 2011)

Goal of Buy Down Program:

In 2008 it was estimated that there were approximately 1,000 market rate homes in the Breckenridge/Upper Blue area that are occupied by employees. Many of the units may become unaffordable over time and unavailable to employees as owners retire, relocate, sell, or convert employee-occupied rentals to personal use. Previous Needs Assessments do not account for the loss of these units in the housing gap projections. Therefore in order to insure that housing is available in Town for 47% of the persons employed Town it is important to preserve as many of these market units (or equivalent units) as possible. The Buy Down program is one strategy to accomplish this goal. It also adds dedicated affordable housing in the community without increasing the Basin density. The goal is to accomplish Buy Downs with the lowest subsidy while still meeting employee housing objectives. While the goal is to provide home ownership opportunities, the Buy Down program can also be utilized to acquire units for rental purposes. The cost of Buy Downs should frequently be evaluated to determine when and if new construction is a more economical options.

Objectives:

General

- a. Location – frequently is most important factor
 - i. Preferred units will be close to employment centers
 - ii. Preferred units will be close to transportation routes
 - iii. Preferred units will be close to consumer services
- b. Unit Size and Bedroom Count
 - i. Unit size should follow minimum square footages in Breckenridge Development Code and market demand (current code requirement is minimum 400sf)
- c. Bedroom count
 - i. Consider market demand (current preference for 2 and 3 bedroom units)
 - ii. Consider smaller units for rental and lower AMI targets
 - iii. Seek a mix of unit size for flexibility
- d. Consumer/sale price
 - i. Most likely buy down units will be starter homes – condos; townhomes; smaller, older single family homes
 - ii. Utilize buy down program primarily for under 100% AMI households
 - iii. Refer to Needs Assessment to insure Buy Down units are priced to meet targets that have been identified
- e. Property Condition
 - i. All units should meet minimum health and safety standards of local municipality
 - ii. A Health & Safety Minimum (HSM) report on prospective properties should be performed.
 - iii. A qualified home inspection should be obtained including the life expectancy of all appliances, heating, plumbing and electrical systems

- iv. Minimum life expectancy of appliances, heating, plumbing and electrical systems should be not less than 10 years, or applicable systems should be repaired/replaced prior to sale to consumer (or price should be discounted for replacement)
 - v. All appliances should meet minimum energy efficiency levels of Energy Star, or as set forth by local building code (or price should be discounted for replacement/upgrades)
 - vi. Age of unit should be considered when condition is average to poor
- f. Livability of Units
- i. Consideration should be made for long-term livability and affordability for occupants
 - ii. Windows/natural light
 - iii. Outdoor living opportunities
 - iv. Average cost of utilities
 - v. Adequate parking
 - vi. Utility expenses should be considered and accounted for in calculating the sale/purchase price
 - vii. No history of drug-related activity or high crime
 - viii. Evidence of tobacco use within the unit should be eliminated prior to sale to consumer
- g. HOA Community
- i. When possible, properties located in a local's neighborhood should be prioritized.
 - ii. HOA dues levels-Maximums should be \$300/mo with utilities included; \$225/mo if utilities are not included. The actual HOA dues should be considered in determining the affordable sale/purchase price.
 - iii. Avoid complexes with large number of amenities and/or expensive amenities to keep monthly dues down
 - iv. HOA documents should state that dues are based on square footage of each unit in relation to the total square footage of all units
 - v. Due diligence should include lender consultation to make certain unit is acceptable to lenders.
 - vi. Due diligence should include in-depth review of all HOA Declarations, by-Laws and Rules & Regulations, as well as review of the community management association
 - vii. HOA Budget should be carefully reviewed
 - viii. Sufficient reserves should be in place to cover items in replacement plan for next 5-10 years
 - ix. Replacement plan should be reasonable to avoid unnecessary emergency expenditures
- h. Subsidy levels
- i. Goal-maximum subsidy $\leq 20\%$ of purchase price (depending on market conditions this may not always be feasible)
 - ii. Goal-Lowest subsidy possible while achieving housing objectives.
2. Other Considerations
- a. Employer-owned units
 - i. Where appropriate, employers may be allowed to purchase a subsidized unit for rent to their local workforce
 - ii. Maximum household size should be set at ≤ 1.5 persons/bedroom

- iii. Limitations on length of vacancy should be defined
 - iv. Minimum lease term to local workforce should be 6 months
 - v. Maximum rents should be established at time of purchase by employer
 - 1. Dependent upon employer wage levels, targeted employees
 - 2. Implement approved mechanism to allow rent restrictions (reference CRS 38.12).
 - b. Lender guideline compliance
 - i. Units that do not meet lending criteria for occupancy, square footage, budget, or other factors should not be considered
 - ii. HOAs that allow first right of refusal should not be considered
 - c. Special Assessments
 - i. HOAs facing imminent special assessments should be eliminated from selection
 - ii. HOAs anticipating special assessments in the next 5 years should be considered with caution
 - iii. Special Assessments should only be included in resale calculations when they are assessed for health, safety, or energy efficiency.
 - iv. The SCHA Rehab Loan guidelines should be used when evaluating a property with anticipated special assessments
 - d. The Buy Down program may be utilized to improve a deed restriction (lower AMI, employment restriction)
 - e. Units at risk should be considered highest priority when evaluating multiple candidates.
3. Evaluation
- i. The program should be evaluated regularly to determine cost and effectiveness of the program.

Types of Buy Downs

1. Town takes Title (or SHDC takes Title) on behalf of Town. Unit may be rehabilitated if necessary, deed restricted and sold at affordable price. May be rented in the interim.
2. Town (or SHDC on behalf of Town) provides a subsidy to a seller at time of a sale in return for a deed restriction to be placed on the property.
3. Town (or SHDC on behalf of Town) pays an owner to accept a deed restriction on their property. (note that lenders will be required to subordinate)

Town of Breckenridge

Workforce Housing Action Plan – 2008 FINAL (Endorsed by Council March 11, 2008)

This document is intended to guide efforts to achieve a sufficient amount of workforce housing to preserve the town's character and support its economy. It incorporates and builds upon key elements of the Town of Breckenridge Vision Plan adopted August 28, 2002 and the Affordable Housing Strategy adopted May 23, 2000. It is a work in progress that will continue to evolve over time as specific work elements are completed and additional opportunities arise.

Vision

To have a diversity of permanently-affordable housing integrated throughout the community, which provides a variety of housing options to sustain the local economy and preserve the character of the community.

Policies

- Assure that workforce housing is comprised of a variety of densities and styles, and is accessible to all members of the community, both dispersed throughout the town and concentrated in neighborhoods of primary residences.
- Seek a balance between population growth and housing for employees who work in the community, with an emphasis on reducing the impacts of in commuting and providing the labor force needed for local businesses to succeed.
- Strive to ensure that ownership and rental housing for the workforce is provided for a wide diversity of income levels that support the local economy and preserves a vibrant middle class.
- Place priority on housing for employees who work in the Upper Blue providing products and services within the local economy. It is not the intent to utilize limited resources to provide housing for telecommuters, location-neutral remote workers, or residents who are unemployed.
- Utilize strategies that place top priority on development of units by the private sector, followed by acquisition of land for housing; payment of fees to the Town is third in terms of the options through which the responsibility for workforce housing will be shared.

Goals and Objectives

The primary goal of the Breckenridge Town Council is to insure that 900 additional workforce housing units are approved and/or constructed in the Upper Blue by the time the community reaches full build out. This goal is to be achieved through a combination of Town resources, impact fee and sales tax revenue, incentives, policies placed on new development, and partnerships. Approximately 60% of these units will address existing needs while 40% or 360 units will partially keep up with the demand for workforce housing as the community grows. Approximately 66% (600 units) should be ownership units and 33% (300) should be rental units.

The Breckenridge Town Council also seeks to insure that key characteristics of the community are preserved or enhanced through the adoption of these specific objectives:

- The proportion of employees who work in Breckenridge and also live there will not drop below the current level of 47%.

- The relationship between primary homes and second homes/vacation accommodations will not significantly change; at least 25% of all units will be occupied as primary residences at build out.
- Renters will be provided increased opportunities for ownership with the homeownership rate moving upward from its current level of 41%.
- Housing will be provided for all income levels up to 180% AMI with intent to preserve the middle class (80%-180%) based roughly on the income distribution as follows:

Income Distribution to be Targeted by Workforce Housing Initiatives

AMI	% of Total Need	% of Households 2000	Targeted Distribution	Number of Units
<50% AMI	30.1%	21.1%	25.60%	231
50.1 to 60% AMI	4.3%	2.6%	3.40%	31
60.1 - 80% AMI	6.0%	17.3%	11.70%	109
80.1 - 100% AMI	29.0%	19.3%	24.20%	216
100.1 - 120% AMI	6.9%	8.2%	7.60%	69
120.1% -140% AMI	14.9%	7.5%	11.30%	99
140%-180%	8.8%	24.0%	16.40%	145
Total	100.0%	100.0%	100.0%	900

2008 Work Plan

1. Annex the Stan Miller parcel to provide approximately 100 workforce housing units.
2. Amend relative requirements for new commercial development to partially address the keep-up demand it generates; remove the exemption for projects of less than 5,000 square feet and consider incentives to provide workforce housing on site though negotiated parking requirements, fee waivers, residential density and public subsidies/partnerships.
3. Amend the relative requirement for multi-family development removing the exemption for projects of less than 5,000 square feet to partially address the keep up demand it generates and consider incentives to provide workforce housing on site though negotiated parking requirements, fee waivers, residential density and public subsidies/partnerships.
4. Create a new relative requirement for single-family homes that encourages the construction of accessory dwelling units (ADU's) in units of 3,500 square feet or larger, possibility through -10 points if not provided and +10 points if provided. Minimum and maximum sizes for the ADU's should be established (400 to 800 sq ft) with covenants restricting occupancy to employees and an administrative system with enforcement procedures. Target – 50% of all units \geq 3,500 sq ft, or 150 units by build out.
5. Amend the relative requirements for lodging (condo hotels, timeshare, hotels, etc,) so that development of accommodations is required to produce workforce housing more proportional to the number of jobs it generates.
6. Preserve market units that are now occupied by employees for occupancy as workforce housing in the future through buy downs, acquisition and resale/rental, buying the right to impose deed restrictions or other methods that might be identified. Evaluate the cost of this strategy and implement a program to evaluate the rate of loss by monitoring rental vacancies/availability, use

of second homes, retirement trends, etc. Develop an annual target considering the projected loss and cost of the preservation program.

7. Create a partnership with a private developer for development of at least 40 workforce housing units on the Valley Brook parcel to partially address existing (catch-up) demand for workforce housing; amend LUGS to be consistent with the recently completed Valley Brook Master Plan.
8. Develop a concept, phasing plan, schedule and approximate budget for future development of the Block 11 parcel with at least 325 workforce housing units.
9. Pursue the acquisition of the Claimjumper parcel.
10. Negotiate with developers for construction of Phase 2 of Pinewood Village to add approximately 30 apartments.
11. Formalize incentives such as fee waivers, funding assistance, density transfers, supplying land and utility taps, tax rebates, and other methods for new construction and conversion of existing free market to affordable units.
12. Continue to work with the School District on partnerships for production of employee housing.
13. Continue to respond to opportunities for annexation with application of guidelines calling for 80% of the units to be workforce housing.
14. Consider expanded down payment assistance programs to increase home ownership opportunities such as the Funding Partners program proposed by the Summit County Housing Authority.
15. Utilize the Summit County Housing Authority for administration of deed restrictions, sale and rental of workforce housing units, homebuyer education and other specific tasks associated with managing the growing inventory of units. Work with the SCHA to develop a manual/procedural guide for use by the SCHA.
16. Revisit and update the standard deed restriction template and the Administrative Guidelines/Procedures to insure that deed restrictions and the guidelines are current, are standardized, and that they insure permanent affordability for local employees.
17. Track progress annually – number of units produced and preserved, age groups served, incomes served and number of units lost annually; modify strategies as appropriate.

Future Actions

1. Identify and land bank sites appropriate for workforce housing.
2. Evaluate opportunities for other Town-owned parcels that have been identified as potential sites for housing including the Ice Rink, Stillson and McCain sites.
3. Evaluate the effectiveness of the housing assistance offered to Town employees.
4. Work with the business community to create programs through which employers can help provide housing for their employees, known as employer-assisted housing (EAU).
5. Explore options for housing members of the workforce as they age and retire.

6. Expand efforts to acquire existing free-market units and convert them to permanently affordable workforce housing.
7. Explore other mechanisms for no net loss of units that function as workforce housing.
8. Work with the Housing Authority to make sure that renters who want to buy have adequate homebuyer education and resources to qualify for mortgages.

Accomplishments

The following table is an inventory of the employee housing units that have been produced through 2007 as a result of the implementation of strategies used alone or in combination including:

- The relative development code;
- Fee waivers;
- Density for employee units;
- Land banking;
- Annexation policy;
- Out of town water service.

This information should serve as a baseline for measuring the effectiveness of future programs.

Property	Price Cap	Avg AMI	pre-1999	2000	2001	2002	2003	2004	2005	2006	2007	Subtotal	Future	Total
Dispersed in Town	No	none	99	2	6		1	1		6	1	116		116
Wellington 1	Yes	99%		14	20	17	15	17	8	7		98		98
Wellington 2	Yes	110%								7	16	23	105	128
GibsonHeights	Yes	71%			1	34	5					40		40
Vista Point	Yes	113%				9	5	5				19		19
Kennington	No	none	36									36		36
Farmers Grove*	No	none				2	4	7	2			15		15
Monarch Townhomes	Yes	90%		3	4		1	4	1			13		13
Breck Terrace	Both	90%		20		11	5			15		51	129	180
Pinewood Village	Yes	83%			74							74		74
Vic Landing	Yes	86%										0	24	24
Maggie Placer	Yes	106%										0	18	18
Stan Miller	Yes	117%										0	100	100
Pinewood #2	Yes	TBD										0	30	30
Valley Brook	Yes	TBD										0	40	40
Block 11	Yes	TBD										0	325	325
Annual Increase			135	39	105	73	36	34	11	35	17	485	771	1,256

* Farmers Grove includes 35 additional units that are restricted for no short-term rental.

Other Options - The following options have been considered and are not recommended at this time:

1. Inclusionary Zoning, which would require a percentage of the units in new subdivisions to be deed restricted as workforce housing. This was not included in the work plan because all developable land within the Town is already subdivided. Therefore, inclusionary zoning is not viewed as a viable effective strategy at this time.
2. Commercial and Residential Linkage, which would have required new development to provide housing for a portion of the demand generated by new employees, was eliminated since the

amount of new development is limited and the number of units that could be produced given legal constraints would be low relative to the amount of effort required to create and administer the requirements.

2008 Housing Budget

Revenue		Expenses	
Interest	\$10,000	Acquisition of Block 11 parcel	\$960,000
Rental Income	\$28,000	Town Down Payment Assistance	\$60,000
Mortgage Payments	\$20,000	Town Rental Assistance	\$12,500
Impact Fee	\$800,000	Claimjumper parcel acquisition	TBD
Sales tax	\$285,600	Valley Brook development subsidy	TBD
Capital Funds	\$1,500,000	Buy Down Program	TBD
Transfers	\$462,441	County-wide Down Payment	TBD
Total	\$3,106,041		

The Town has budgeted \$1.5m from Capital funds through 2012 for a total of \$7.5m for capital housing development; the Impact Fee is effective for 10 years and will generate an estimated \$10m for housing projects.

POLITICS › DENVER POLITICS

Denver rent “buy-down” program that will subsidize market-rate apartments receives green light from council

City plans to offer 125 households up to 2 years of subsidized rent in \$1 million pilot phase

By **JON MURRAY** | jmurray@denverpost.com | The Denver Post
PUBLISHED: July 10, 2018 at 6:00 am | UPDATED: July 10, 2018 at 8:08 am

The Denver City Council signed off Monday on [an unusual pilot program](#) that will “buy down” the rent for 125 households so that they can afford to live in market-rate apartments and other rental housing.

Mayor Michael Hancock and city housing officials have portrayed the \$1 million subsidy program as a targeted way to help some low- and middle-income families stay in Denver after years of fast-rising rents. The affordable housing program will function similarly to a popular housing voucher program overseen by the Denver Housing Authority but will help people who fall within a wider income range (up to \$72,000 a year for a family of four).

The city is [seeking employer partners to kick in money](#) for the program in exchange for the participation of their workers. Among employers in talks to take part are St. Joseph Hospital and the Colorado Health Foundation.

But the program has critics, including some who fear that the city is only perpetuating high-market rents by helping owners of vacant rental units fill them.

Councilman Kevin Flynn made that point Monday before casting the sole “no” vote.

“The corporate sponsors — the corporate partners that are recruited through this program — instead of contributing to this program, why don’t they pay their workers more?” Flynn said earlier, on June 25, when the proposal was introduced. “That’s the answer to affordability ultimately in this city — that people earn a living wage.”

City housing officials [have argued](#) that the program isn’t likely to have far-reaching effects on the local apartment market, in part because of its limited scope.

The council approved, 11-1, a nearly \$1.2 million funding agreement with the DHA to run the program. That sum includes \$180,000 for administrative costs. Officially, the initiative is called the Lower Income Voucher Equity (LIVE) Program.

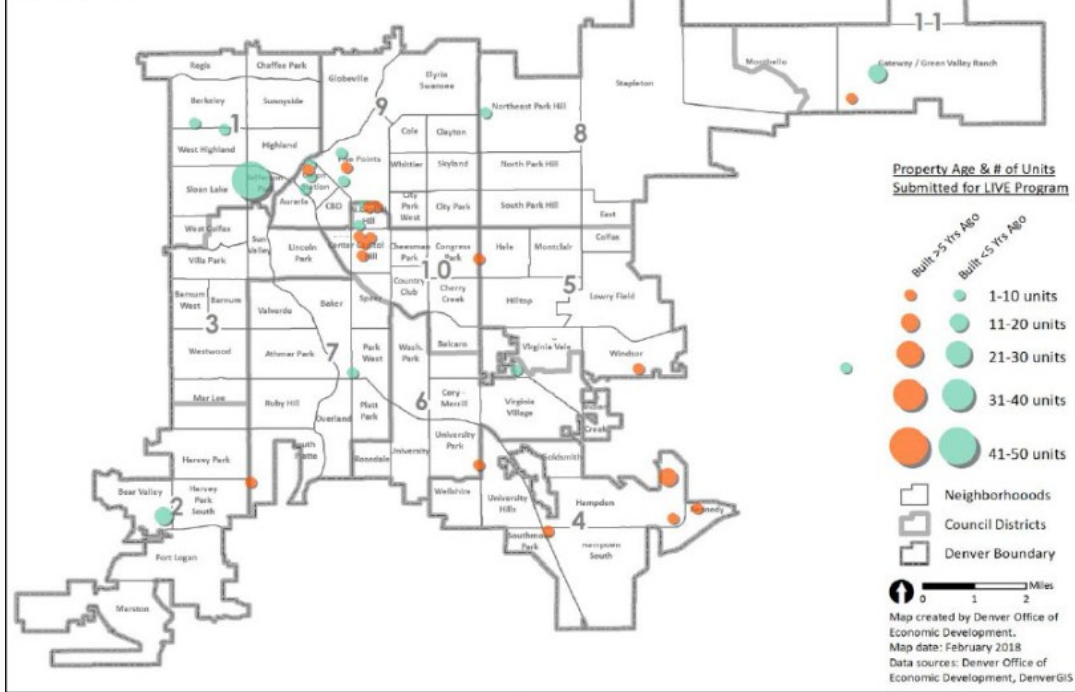


Helen H. Richardson, Denver Post
Denver Mayor Michael Hancock announced the LIVE Denver program during the 2017 State of the City address on July 10, 2017.



LIVE Denver Property Submissions

February 2018



A map produced by the Denver Office of Economic Development shows the locations and sizes of housing submitted for consideration for a city rent buy-down program. Light blue dots represent buildings constructed within the last five years, and orange dots are older.

“The reality is that there are units all across the city” in the program, Councilwoman Debbie Ortega said. “They are not all downtown, high-end units. ... They are units that can (be used to) put people into housing immediately.”

Individuals and families who qualify will receive up to two years of rent subsidies to ensure they pay no more than 35 percent of their monthly income toward housing costs. Participants will have to be employed full-time and take part in financial coaching sessions at the beginning.

During the program, a small portion of the program’s contribution toward participants’ rent will be set aside in accounts to help them build savings.

In an example provided by the city, a single person earning \$37,800 a year would pay adjusted rent of \$1,103 for an apartment with a market rent of \$1,500 a month.

Popular In the Community

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It's the offensive line that needs the most

KISZLA: JOHN ELWAY RESOLVES TO MAKE

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Welcome to prohibition v

TAGS: AFFORDABLE HOUSING, APARTMENTS, DENVER, DENVER CITY COUNCIL, DENVER HOUSING AUTHORITY, DENVER OFFICE OF ECONOMIC DEVELOPMENT, FINANCIAL, HOUSING, KEVIN FLYNN, MICHAEL HANCOCK, MORE BUSINESS NEWS

Jon Murray
Jon Murray is an enterprise reporter on The Denver Post’s government and politics team, with a focus on transportation. He previously covered Denver Mayor Michael Hancock and the workings of city government. A Colorado

Program

The Lower Income Voucher Equity Program (LIVE Denver) is a 2-year pilot program built through public-private partnership. It creates immediate affordable housing options by connecting vacant market rate units with workforce families and individuals. LIVE bridges the gap in contract rent and participant ability to pay through funds provided by The City, foundations and employers. LIVE Denver is one programmatic tool to address affordable housing needs as part of the City's 5 Year Housing Strategy.



How does LIVE work?



Renter Payment: Participants in LIVE will contribute 35% of their income towards their rent payment.

Rent Buy-Down: The rent buy-down will pay the balance of rent and is funded by the City of Denver, Private Employers, and Foundations.

Participant Qualification: To qualify as a LIVE Denver participant:

- One person in the household must be working full time; and
- Household income levels must be within the targeted 40 to 80% AMI (Area Media Income).

Primary goals of program:

- Expand immediate housing affordability for working families.
- Access vacant rental units to provide quality housing for workforce families and individuals.

Why?

The cost of housing in Denver has increased 9% this year alone and over 30% over the past five years. On average, an employer can afford to increase employee wages 2-3% annually. There is a disconnect when housing costs across the city are increasing at a more rapid pace than an employer's ability to increase wages. The City cannot dictate wages to employers, but we can work with others to create opportunities for employers to directly invest in providing housing affordability for its employees.

WHAT IS A REASONABLE MARKET RATE AND HOW IS IT EVALUATED?

- Reasonable Market Rate (“RMR”) is simple, clear, and publicly defensible
- Calculated by comparing each unit offered to three comparable units
- Determined by a third party

HOW IS THE RENT PAID?

- Property Owners or Managers have the option of receiving traditional monthly payments or up to six (6) months of upfront payments as agreed to with DHA.

Key Partners





Vail's InDeed deed restriction purchase program has successful first year

December 18, 2018

VAIL — This town in 2017 adopted a strategic plan that called for putting deed restrictions on an additional 1,000 units by 2027. That plan is off to a strong start.

The Vail Town Council at its Tuesday afternoon session heard a report from Vail Local Housing Authority Chairman Steve Lindstrom, who laid out the housing program's progress in 2018.

Lindstrom said that progress has been significant. This year alone, the 32 townhomes at the Chamonix neighborhood in West Vail have all been sold and occupied.

The town financed the construction of that neighborhood to the tune of about \$17 million. That loan has been repaid through unit sales.

In addition, work began to replace the Solar Vail apartments, just east of Red Sandstone Elementary School.

That project, by Sonnenalp Properties, is replacing the old, 24-unit building with a new, 65-unit structure.

The town participated in the Solar Vail project by buying deed restrictions on those units for just more than \$4.2 million.

Vail's latest deed restrictions have a number of rules, including limiting use of units to only people who work an average of 30 hours per week in Eagle County. Units can't be used for short-term rentals.

The Solar Vail deed restriction purchase was made using money that had accumulated over the years in the town's housing fund.

That purchase largely drained that fund. Council members agreed in June to add another \$1.5 million to the housing fund (<https://www.vaildaily.com/news/vail-town-council-gives-initial-ok-to-housing-fund-boost-with-reservations/>) in order to buy more deed restrictions.

PRIVATE PURCHASES

Aside from big projects, the Vail InDeed program also purchases deed restrictions from private homeowners. The program pays homeowners to deed-restrict their homes.

For buyers, that can reduce the price of a unit. Deed restrictions on units also mean they'll sell for less than free-market units.

Lindstrom said there have been 21 transactions with private owners since the program launched in March.

Vail Housing Director George Ruther said the town has completed about two-thirds of the private deed restriction proposals that came through his office.

Ruther said while many of the restriction sales have been made for smaller units, some of those sales have come for family-sized homes.

But, he added, buyers of larger units have so far been less likely to sell a deed restriction.

Council member Greg Moffet noted that the town's deed restrictions aren't subordinate to primary lenders on loans.

That means if an owner defaults on a mortgage, the town will be able to maintain the deed restriction on that home.

Council member Kim Langmaid asked Lindstrom if the housing authority could do more work with real estate firms in the area in order to encourage owners of family-sized units to join the program.

MONETARY CERTAINTY

Lindstrom noted that working with real estate firms depends in large part upon knowing what the town's budget is for the program.

For 2019, that budget is \$2.5 million, and council members have been clear that no more money will be made available during the year.

Lindstrom said the housing authority is engaging consultants to both look at potential revenue sources and quantify the economic and environmental value of more resident-occupied housing in town.

While there's only so much money in the housing fund, Lindstrom said he's optimistic the housing authority will be able to work with both private homeowners and developers to continue the program's progress.

As the Vail InDeed program continues, Lindstrom said he expects the housing authority and the housing department to continue to learn with every deal.


Lindstrom said the program becomes more effective with almost every deal made.

The authority board is also having progressively more conversations with developers, land owners and others.

"The more things we do, the more opportunity we'll have in front of us," he said.

Vail Daily Business Editor Scott Miller can be reached at smiller@vaildaily.com (mailto:smiller@vaildaily.com) and 970-748-2930.

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NOT YOUR TYPICAL DEED RESTRICTION PROGRAM

No appreciation cap

No income cap

No household size requirement

FREQUENTLY ASKED QUESTIONS

☑ What is this program?

Vail InDEED, the Town's new deed restriction purchase program, is created to incentivize homeowners and real estate buyers/sellers to deed restrict their property to help the Town meet the 2027 Housing Strategic Plan goal of acquiring an additional 1,000 deed restricted units by the year 2027 and helps to reach the goal of maintaining and sustaining homes for residents within the community.

☑ Who's eligible?

If you are interested in purchasing, investing, remodeling, selling, or taking a vacation and live or want to live in Vail then you are eligible to apply for funds. In exchange the Town receives a recorded deed

restriction on a Vail property.

⓪ **Can I deed restrict a property with a right of first refusal?**

No. The Town cannot record a deed restriction on rights of first refusal.

⓪ **Why should I consider deed restricting my property?**

The Town's goal is to maintain and sustain community for residents especially for employee residential housing. When you deed restrict your property you help to achieve this goal for the community. You may use the funds received from the sale of the deed restriction for any purpose.

⓪ **What is a deed restriction and what are the restrictions?**

A deed restriction is an agreement that restricts the use of a property in some way. A deed restriction will be recorded on your property in exchange for some amount of funding from the Vail InDEED program.

⓪ **What are the key terms of the deed restriction?**

- 1) The property must be occupied as a primary residence by individuals who work a minimum of 30 hours per week in Eagle County.
- 2) The deed restriction does not impose an appreciation cap.

⓪ **What happens to the deed restriction when I sell my property?**

Deed restrictions remain with the property for all future property sales.

⓪ **Can I use a realtor when selling my home or do I have to sell through the Town?**

Yes you can use a realtor of your choosing and you are responsible for any incurred costs. The Vail InDEED program does not go through the Town for re-sales nor is there a price appreciation cap.

⊖ **Is there a transfer tax and will I exempt from other taxes?**

Deed Restricted unit sales are exempt from the real estate transfer tax (RETT). The buyer or seller must apply for an exemption approval by the Town of Vail. As a property owner you are responsible for all other taxes, including property tax.

⊖ **Can I rent my property after signing the deed restriction?**

Yes you may rent the unit. Requirements for tenants and owners are the same. The unit must be used as the individual's primary residence and they must work a minimum of 30 hours per week in Eagle County.

⊖ **As an investor can I rent my property?**

Yes you may rent the unit. Requirements for tenants and owners are the same. The unit must be used as the individual's primary residence and they must work a minimum of 30 hours per week in Eagle County.

⊖ **Do I need to be a legal US citizen?**

There are no restrictions regarding citizenship. The only requirement is to ensure compliance with the Housing Guidelines occupancy requirement.

⊖ **Are there any Tax implications when I place a deed restriction on my property?**

We recommend you speak to a financial or legal advisor with regard to any financial any ownership implications.

⊖ **Are there local banks which are familiar with Vail Deed restricted properties?**

Yes. The banks listed below are familiar with the Town of Vail Deed

Restrictions.

- Academy Bank
- Alpine Bank
- EverBank
- FirstBank
- Guaranteed Rate Mortgage
- Macro Financial Group
- Paragon Mortgage Services
- US Bank
- Wells Fargo

You may use any lender of your choice however confirm they understand the Town of Vail Deed Restriction.

⊖ **How do you qualify/apply?**

[Apply using the application below.](#) Your request will be forwarded to the Housing Department and the Vail Local Housing Authority (the Board) for review.

⊖ **How many properties can you deed restrict?**

There is no limit on the number or properties an individual can deed restrict.

⊖ **How much money can I receive to place a deed restriction on my property?**

The amount awarded will depend on your circumstances, what your request is and how your property meets the review criteria.

⊖ **How is the value of a deed restriction determined?**

The Town will use the following methods to determine fair value of your property:

Using comparisons from two properties side by side property values from most recent sale.

- Town Staff will review Eagle County Assessor recent sale information for similar properties.
- Schedule an Appraisal in case of a property purchase.
- Determined through owner and Board negotiation.

⊖ **How is my property evaluated by the Board?**

The Board reviews 10 criteria, listed below to make a determination.

The following criteria and findings shall be used by the Board when determining whether to acquire a deed restriction:

- Supports and maintains a permanent year- round resident population that grows a diverse community where a wide range of demographics, economics, occupations and family household sizes are served.
- Furthers the goal adopted in the Vail Housing 2027 Strategic Plan
- Consistent with the housing policies adopted by the Vail Town Council for the acquisition of deed restrictions for resident housing
- Demonstrated demand exists within the resident housing market for the type of residential product (studio, flat, townhome, duplex, single family, etc.) that is to be deed restricted
- Fulfills a demonstrated need within a defined segment (i.e. for rent, for sale, owner occupied, etc.) of the residential property market.
- Demonstrates a quantifiable return on investment based upon the conclusions of the Economic Value of the Town' s Investment in Employee Housing Report, prepared by BBC, dated March 12, 2012
- The market value of the deed restriction is comparable in value to other existing deed restrictions within the community as demonstrated by a licensed real estate appraiser
- Most cost effective and efficient use of the Town' s limited supply of financial resources
- Fair market value is paid for the deed restriction relative to current market conditions (i.e. supply & demand)

⓪ **If my property/application request is accepted how long will it be before I receive the funds?**

Once the Board approves the request a Notice of Deed Restriction Purchase Agreement will be signed with you and the Town of Vail. Funds will be requested from finance and a check generated, generally 2-3 weeks. The Town will work with you regarding when and how funds are routed to you.

The Notice of Deed Restriction Purchase Agreement states the Town and you are entering into an agreement, money for a deed restriction on a specific property. The requirement is to record a deed restriction.

⓪ **How is my property evaluated by the Board?**

The Board reviews 10 criteria, listed below to make a determination. The following criteria and findings shall be used by the Board when determining whether to acquire a deed restriction:

- Supports and maintains a permanent year- round resident population that grows a diverse community where a wide range of demographics, economics, occupations and family household sizes are served. Furthers the goal adopted in the Vail Housing 2027 Strategic Plan
- Consistent with the housing policies adopted by the Vail Town Council for the acquisition of deed restrictions for resident housing
- Demonstrated demand exists within the resident housing market for the type of residential product (studio, flat, townhome, duplex, single family, etc.) that is to be deed restricted
- Fulfills a demonstrated need within a defined segment (i.e. for rent, for sale, owner occupied, etc.) of the residential property market.
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- The market value of the deed restriction is comparable in value to other existing deed restrictions within the community as demonstrated by a licensed real estate appraiser
- Most cost effective and efficient use of the Town' s limited supply of financial resources
- Fair market value is paid for the deed restriction relative to current market conditions (i.e. supply & demand)

⊙ **Where can I find information on the Vail InDEED agreements (purchase and deed restriction) ?**

[Deed Restriction Purchase Agreement Deed Restriction Agreement](#)

Step by Step Process

1. Fill out the application form below
 - a. List property address if purchasing (the property must be located in Vail
 - b. Provide your contact information (name as held or to be held on title, mailing address)
 - c. Specify decision date needed if tied to a purchase/closing date
 - d. Specify amount of money you would like to apply for
2. This application will be sent to Lynne Campbell, Housing Coordinator for the Town of Vail.
3. Upon approval for funds, you will enter into Notice of Deed Restriction Purchase agreement with the Town of Vail.

⊙ **If my property/application request is accepted how long will it be before I receive the funds?**

Once the Board approves the request a Notice of Deed Restriction Purchase Agreement will be signed with you and the Town of Vail. Funds will be requested from finance and a check generated, generally

2-3 weeks. The Town will work with you regarding when and how funds are routed to you.

The Notice of Deed Restriction Purchase Agreement states the Town and you are entering into an agreement, money for a deed restriction on a specific property. The requirement is to record a deed restriction.



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RESOLUTION NO. 30, SERIES 2018

A RESOLUTION ADOPTING THE 2018 TOWN OF VAIL HOUSING POLICY STATEMENTS, AND SETTING FORTH DETAILS IN REGARD THERETO

WHEREAS, the Vail Town Council has adopted the vision "*To Be The Premier International Mountain Resort Community*";

WHEREAS, through Resolution No. 29, Series 2016, the Town Council adopted Vail Housing 2027, "A Strategic Plan for Maintaining and Sustaining Community through the Creation and Support of Resident Housing in Vail" (the "Plan");

WHEREAS, the single goal of the Plan is for "The Town of Vail to acquire 1,000 additional resident housing deed-restrictions by the year 2027;

WHEREAS, according to the 2018 Town of Vail Community Survey results, the availability and affordability of housing is the most critical issue facing the Vail community; and,

WHEREAS, through the adoption of housing policy statements, it is the Vail Town Council's intent to articulate the approaches the Town will take to realize its vision, achieve its housing goal, and address the most critical issue...housing...facing the Vail community.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF VAIL:

Section 1. The Vail Town Council hereby adopts the following housing policy statements, hereafter referred to as the "2018 Town of Vail Housing Policy Statements":

#1 Housing IS Infrastructure - Deed-restricted homes are critical infrastructure in Vail.

#2 Housing Partners – We use public/private partnerships and actively pursue local and regional solutions to increase the supply of deed-restricted homes.

#3 Private Sector Importance – We foster a proactive and solutions-oriented environment that promotes private sector investment to create deed-restricted homes.

#4 Leverage Financial Strength – We will use our financial strength and acumen to acquire deed-restrictions.

#5 Breakdown Barriers – We align our land use regulations, building and energy conservation codes to achieve our vision and housing goal, and development applications are thoroughly, timely and efficiently reviewed....getting to “yes” is our shared objective.

#6 Funding Creates Deed-Restrictions – We pursue a predictable, consistent and reliable source of funding to obtain deed-restrictions and maintain the Town’s housing programs.

#7 People Promote Community – We ensure opportunity and access to the Town’s housing programs and initiatives through a clear, equitable, and easy to administer process for housing selection.

#8 No Net Loss - No net loss of resident-occupied, deed-restrictions.

#9 Keep Up With Demand - New development, both residential and commercial, is obligated to mitigate its incremental impact on the demand for resident-occupied, deed-restricted homes. Payment in lieu, while needed, is not the preferred method of mitigation.

#10 Funding is Policy – The Vail Town Council will fund housing opportunities and solutions.

INTRODUCED, READ, APPROVED AND ADOPTED this 17th day of July, 2018.

Dave Chapin, Mayor

ATTEST:

Patty McKenny, Town Clerk

**RESOLUTION NO. 34
SERIES 2016**

**A RESOLUTION OF THE VAIL TOWN COUNCIL APPOINTING THE
VAIL LOCAL HOUSING AUTHORITY AS THE TOWN'S AGENT TO
NEGOTIATE AND PURCHASE DEED RESTRICTIONS IN THE TOWN**

WHEREAS, through Resolution No. 29, Series 2016, the Town Council adopted Vail Housing 2027, "A Strategic Plan for Maintaining and Sustaining Community through the Creation and Support of Resident Housing in Vail" (the "Plan");

WHEREAS, the Town Council and the Vail Local Housing Authority (the "VLHA") acknowledged in the Plan that "the acquisition of deed restrictions on homes for Vail residents is critical to maintaining and sustaining community"; and

WHEREAS, the Town Council desires to appoint the VLHA as the Town's agent for the purpose of negotiating and purchasing Deed Restrictions in accordance with the Plan.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE
TOWN OF VAIL:**

Section 1. The Town Council hereby designates the VLHA as the Town's agent solely for the purposes set forth herein.

Section 2. The Town Council hereby delegates to the VLHA the authority to:

- a. Implement the Plan through the negotiation and purchase of Deed Restrictions in the Town;
- b. Make, enter into, and execute purchase and sale agreements, deed restrictions, documents, instruments, papers and other forms necessary for the purchase of Deed Restrictions in accordance with the Vail Town Code and the Plan; and
- c. Expend funds that have been budgeted and appropriated in the Town's housing fund for costs associated with the acquisition of Deed Restrictions pursuant to the Plan, including without limitation costs for purchases, appraisals, legal fees, filing fees, closing costs and title insurance.

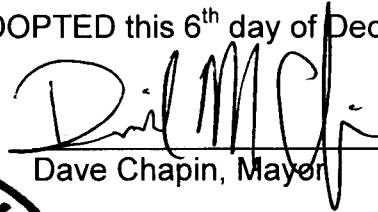
Section 3. The following criteria and findings shall be used by the VLHA when determining whether to acquire a deed restriction:

- Supports and maintains a permanent year-round resident population that grows a diverse community where a wide range of demographics, economics, occupations and family household sizes are served.
- Furthers the goal adopted in the Vail Housing 2027 Strategic Plan

- Consistent with the housing policies adopted by the Vail Town Council for the acquisition of deed restrictions for resident housing
- Demonstrated demand exists within the resident housing market for the type of residential product (studio, flat, townhome, duplex, single family, etc.) that is to be deed restricted
- Fulfills a demonstrated need within a defined segment (i.e. for rent, for sale, owner occupied, etc.) of the residential property market.
- Demonstrates a quantifiable return on investment based upon the conclusions of the Economic Value of the Town's Investment in Employee Housing Report, prepared by BBC, dated March 12, 2012
- The market value of the deed restriction is comparable in value to other existing deed restrictions within the community as demonstrated by a licensed real estate appraiser
- Most cost effective and efficient use of the Town's limited supply of financial resources
- Fair market value is paid for the deed restriction relative to current market conditions (i.e. supply & demand)
- A transaction cap of \$200,000 per dwelling unit to be deed restricted

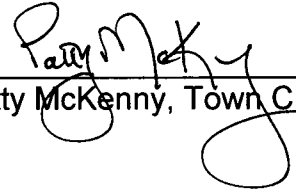
Section 4. The Town Council may modify or revoke the VLHA's agency designation or the authority of the VLHA under the agency designation at any time, in the Town Council's sole discretion.

INTRODUCED, READ, APPROVED AND ADOPTED this 6th day of December, 2016.



 Dave Chapin, Mayor

ATTEST:



 Patty McKenny, Town Clerk





“A Strategic Plan for Maintaining and Sustaining Community through the Creation and Support of Resident Housing in Vail”

VAIL HOUSING 2027

Adopted September 6, 2016
Resolution No. 29, Series of 2016



75 S. Frontage Rd. | Vail, CO 81657
970.479.2100 | vailgov.com/housing2027

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CONTRIBUTORS

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- Jenn Bruno, Mayor Pro-Tem
- Dick Cleveland
- Kevin Foley
- Kim Langmaid
- Jen Mason
- Greg Moffet

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- Scott Ashburn
- Mary McDougall
- Molly Murphy
- James Wilkens

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- Kathleen Halloran, Director of Finance
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- Laurie Mullen
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- Tara Picklo
- Chris Romer
- Mia Vlaar
- Alison Wadey

EXECUTIVE SUMMARY

The single goal of the Plan is clear and concise...

The Town of Vail will acquire 1,000 additional resident housing unit deed restrictions by the year 2027

Ensuring the availability of homes for Vail residents has been a long standing challenge in the community. To date, adopted housing policies, programs and practices have not yielded desired results. To realize different results the community must change its approach to housing policies, programs and practices.

Presently, the Town's housing policies, programs and practices lack an attainable goal, are without adequate financial means, are reactive in implementation and contain a decision making structure that does not result in increased housing opportunities. Vail Housing 2027 sets in motion a strategic plan that proactively addresses the housing needs of the community. It is actionable in its implementation and changes the decision-making approach towards maintaining and sustaining homes for residents within the community.

Vail Housing 2027 takes a three-part approach to improving the availability of housing in Vail and increasing the number of deed restricted homes for residents of the community:

① GOAL ② MEANS ③ METHOD

Similar to a three-legged stool, the plan falls flat and can not be successful without all three parts in place.

When achieved, this goal, along with the more than 698 existing deed restricted homes, ensures homes for more than 3,736 Vail residents.

A goal can not be accomplished without the means for doing so. In this instance means is an adequate and ongoing source of funding. Funding is necessary to acquire deed restrictions. The Plan recommends the use of existing Housing Program funds to launch the deed restriction program in the initial years and recommends annual appropriations from the Town's Capital Projects Funds in future years. Additional funding sources should be pursued simultaneously.

Finally, the Plan recommends a new method for achieving the goal. Like the goal, the method is clear and concise...

Implement a new decision-making structure which is singular in focus, proactive, empowering and results-oriented, and is nimble enough to be effective at achieving the goal.

VISION

OUR HOUSING VISION

An Eye on the Future

We envision Vail as a diverse, resilient, inclusive, vibrant and sustainable mountain resort community where year-round residents are afforded the opportunity to live and thrive. We take a holistic approach to maintaining community, with continuous improvement to our social, environmental, and economic well being. We create housing solutions by recognizing and capitalizing on our unique position as North America's premier international mountain resort community in order to provide the highest quality of service to our guests, attract citizens of excellence and foster their ability to live, work, and play in Vail throughout their lives.

Our strategic solutions and actions result in the retention of existing homes, creation of new and diverse housing infrastructure, and collaboration with community partners. For Vail, no problem is insurmountable. With a consistent, community-driven purpose and an entrepreneurial spirit, Vail will lead the industry in innovative housing solutions for the 21st century. The Town is well positioned financially to undertake this significant challenge.



OUR MISSION

Maintaining and Sustaining Community

We create, provide, and retain high quality, affordable, and diverse housing opportunities for Vail residents to support a sustainable year round economy and build a vibrant, inclusive and resilient community. We do this through acquiring deed restrictions on homes so that our residents have a place to live in Vail.

POLICY

POLICY STATEMENT

Resident Housing as Infrastructure

We acknowledge that the acquisition of deed restrictions on homes for Vail residents is critical to maintaining community. Therefore, we ensure an adequate supply and availability of homes for residents and recognize housing as infrastructure in the Town of Vail; a community support system not unlike roads, bridges, water and sewer systems, fire, police, and other services of the municipal government.

VALUED VAIL EMPLOYEE HOUSING

CATEGORY	VALUE
Business costs avoided	\$12.6 million per year
New retail spending	\$6.0 million in annual retail sales (\$240,000 in sales tax at 4.0%)
Parking expansion	\$9.0 million

Source: BBC Research and Consulting

PURPOSE

PURPOSE of the PLAN

A Commitment to the People who Live and Work in Vail

Vail Housing 2027 is an action-oriented, results-based strategic planning document that is to be used as a decision-making guide for taking critical next steps towards addressing the resident housing needs in Vail. The Plan takes a proactive approach to addressing the housing need. To that end, the Plan identifies a vision for housing for year round residents of the community, a mission for maintaining and sustaining community and a single policy statement that acknowledges homes for residents as critical infrastructure, thereby reinforcing the importance of housing to the long term success of Vail. Further, the Plan articulates a 10-year goal to acquire deed restrictions on homes within the community.

The Plan presents a road map for acquiring deed restrictions for resident housing through the year 2020. Given the dynamic nature of the factors affecting the Town's ability to achieve the ten year goal, such as global markets, interest rates, changes in regional housing supply, financial lending practices, etc. the Actions for Implementation focus on the first three years following the Plan adoption. The Plan should be revisited at least every three years to evaluate progress and to make adjustments, as needed.

The Plan is a living document that is to be used proactively, adjusted as needed and reported upon twice annually to the Vail Town Council. It recommends a number of actions that must be implemented to ensure the realization of the Plan goal.

1 GOAL

The Town of Vail will acquire 1,000 additional resident housing unit deed restrictions by the year 2027

These new deed restrictions will be acquired for both existing homes as well as for homes that are newly constructed by both the Town of Vail and private sector developers.

By virtue of the occupancy requirements of the deed restrictions, the Town of Vail does not need to own resident homes to forward its mission of maintaining and sustaining community.

Title to real estate can change ownership often. Once recorded, a deed restriction transfers with the title and survives changes in ownership over time, thus assuring long term resident housing.



GOAL

2016 OCCUPANCY COMPARISON

Since 2010:

- nearly 90% of homes for sale in Vail were sold to Unoccupied Home Owners
- approximately 10% were sold to Occupied Home Owner

Source: Eagle County Assessor's Office

7,209 Homes



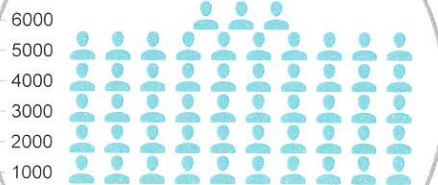
1,753 Occupied Homes

(2 - 3 people per home)



Owner Occupied
Renter Occupied

5,305 People



4,758 Unoccupied Homes



698 Deed Restricted Homes



2 MEANS

To effectively achieve the goal of acquiring 1,000 additional resident housing unit deed restrictions by the year 2027, adequate financial resources are needed. For the purpose of this plan, the resources required include regular and ongoing annual appropriations. The funds appropriated will be used to purchase and acquire deed restrictions for resident housing. Deed restrictions will be acquired from a wide range of sources. Likely sources include existing homeowners, potential home buyers, business

owner's, large and small employers, real estate developers, existing and potential investment property owners, etc.

In recognizing that resident housing is valued as critical infrastructure within the community it is imperative that it must be funded adequately. Given that the availability of resident housing is an important issue for the community, then funding from the Town's annual budget should reflect housing as a priority.

TOP TWO COMMUNITY PRIORITIES



Figure 1: Town of Vail Community Survey 2016

Therefore, annual appropriations in the form of both dedicated housing funds and capital projects funds require allocation. And, as this is a community-wide issue, the community as a whole should financially support housing solutions.

TOP PRIORITIES BY RESIDENT TYPE

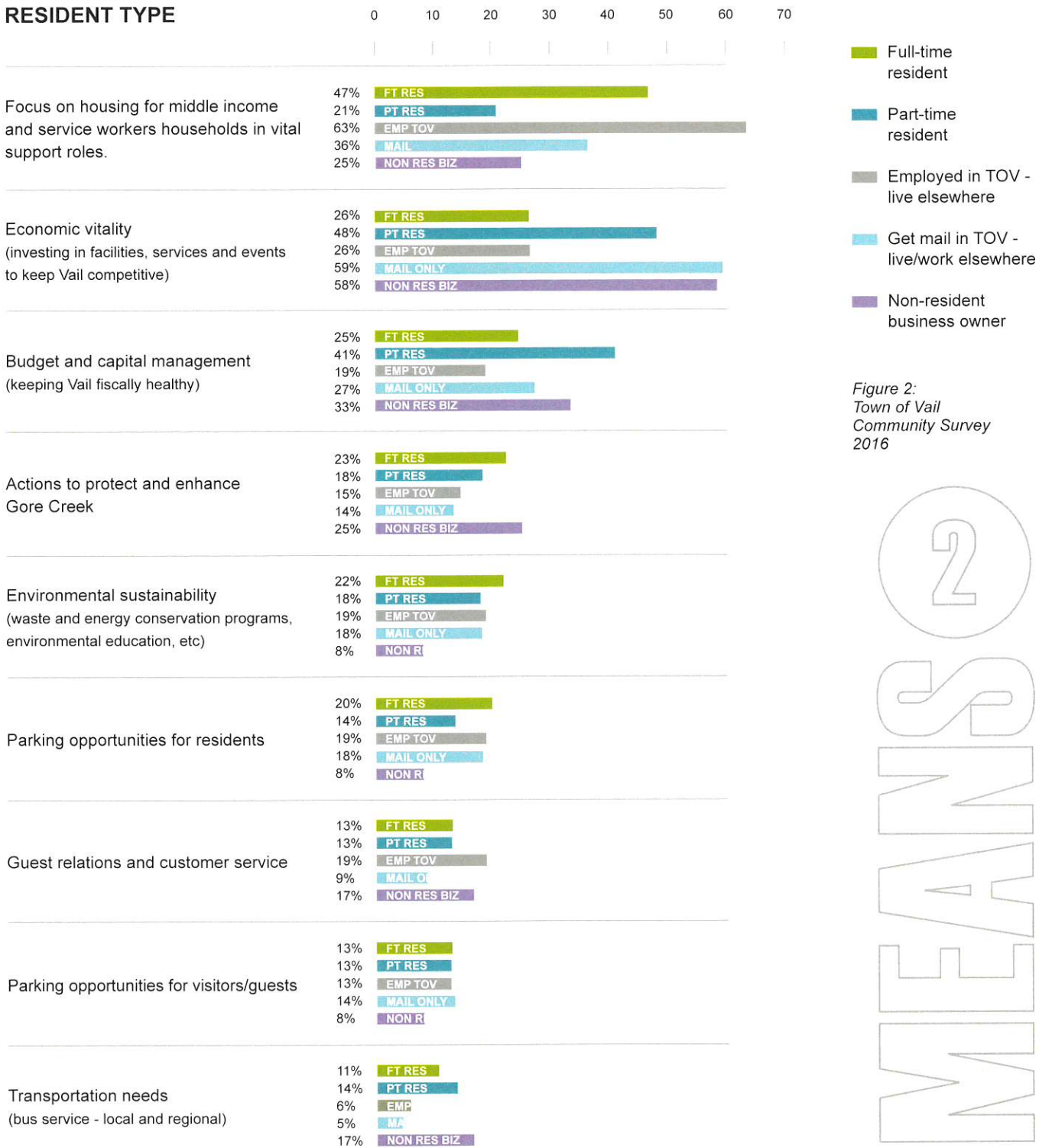
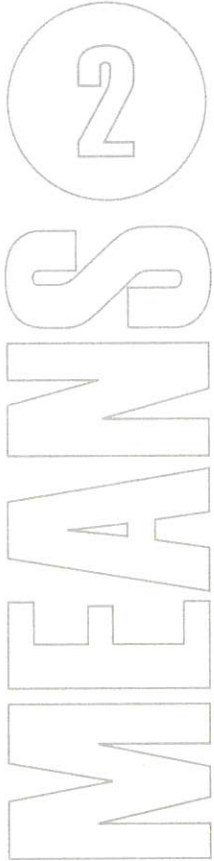


Figure 2:
Town of Vail
Community Survey
2016



A dedicated funding source is important to the long term success of meeting the established housing goal by year 2027. A dedicated funding source such as sales tax or property tax increase live on over time as political sentiment changes, and supports the issuance of long-term bonds to move the revenue forward.

A tax-based funding source for housing should be supplemented with the collection of fee in lieu funds received. However, in order to initiate immediate action towards the realization of the goal of the Plan, it is necessary in the near term that additional funding comes from reallocation of the Town's General and Capital Projects Funds.

It is difficult at this time to determine precisely the annual budgeting requirements of the Plan, especially as related to potential capital expenditures for deed restriction acquisition. The Town's Housing Program Funds, however,

currently maintain a fund balance of nearly \$3.2M. In an effort to create, grow and maintain a healthy fund balance and establish a pattern of annual appropriation towards housing programs, the Town should appropriate a minimum of \$500,000 into the 2017 Housing Program Funds within the Capital Projects Funds and make regular and ongoing annual appropriations for the purpose of acquiring new resident housing deed restrictions. It is recommended that a minimum of \$5M be appropriated in future budget years 2018, 2019, and 2020. Allocations beyond 2020 should be evaluated based upon results achieved in each of the first three years of the Plan implementation. As each year's results are reviewed, adjustments in allocation may be necessary to remain on target of achieving the Plan goal. Circumstances unknown at this time may require the Town to accelerate its funding obligations in future years to remain on target for realizing the Ten Year Goal.

2
MEANS

WHERE THE MONEY WENT

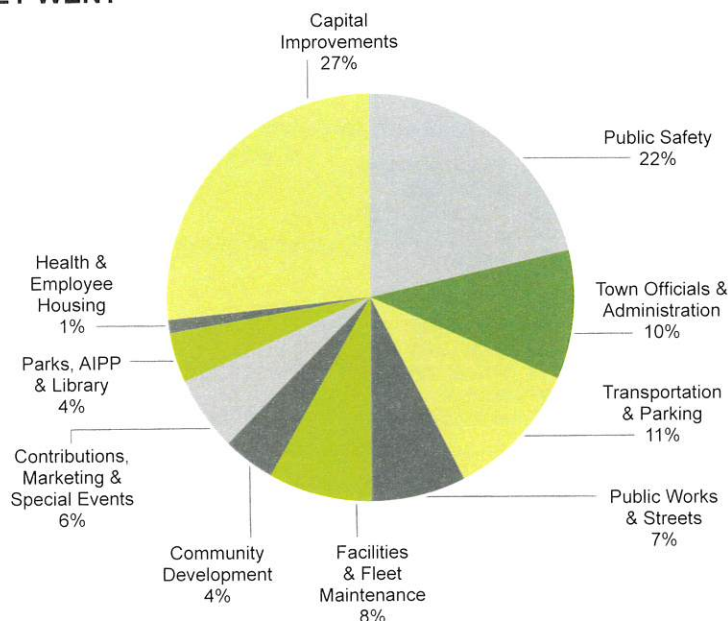
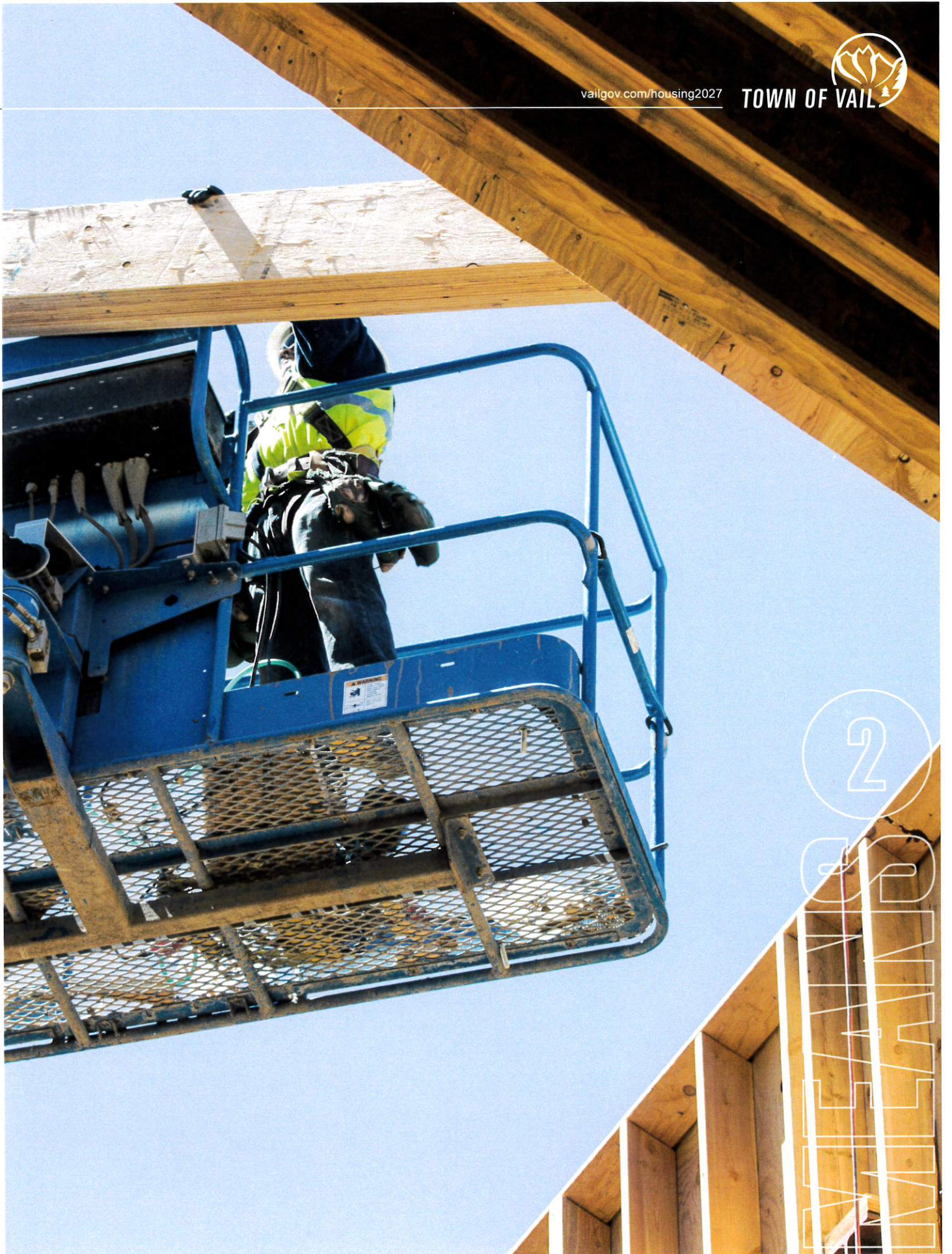


Figure 3: Town of Vail 2015 Year in Review. Municipal Services accounted for \$39.3 million, or 73% of 2015 expenditures.



3 METHODS

New Structure

A new decision-making structure is needed to get better results. The new structure must include a new decision-making body that is:

- singular in mission and focus
- empowered and results-oriented
- time sensitive and responsive in its actions
- adaptable to an ever dynamic real estate market
- consistent and predictable
- timely within the Town's development review process

To efficiently achieve the goal of acquiring 1,000 additional resident housing unit deed restrictions by the year 2027 a new structure for decision-making is needed. The current decision making structure contains multiple layers of bureaucracy, is costly and time consuming, inefficient, indecisive, reactive in approach and does not achieve the Town's desired results of addressing the resident housing needs of the community.

The new structure requires built-in mechanisms of accountability for decision making and twice annual reporting requirements. It must be built on a foundation grounded by predetermined criteria for sound decision making and evaluation when deciding on the acquisition of deed restrictions. It requires participation from experts in the fields of real estate finance and development, residential property lending, real property acquisition, affordable housing policy and program implementation, public finance and administration, and real property analysis, valuation and appraisal. Each of these characteristics ensure that the new structure is organized and aligned in such a way that the Town achieves its Ten Year Goal for housing.

Most importantly, the decision-making structure must ensure that the decision-making body, acting as a special agent of the Town of Vail, has the authority to take action towards achieving the goal and dispense the funds needed to acquire deed restrictions.

3
METHODS
3

The five-member Vail Local Housing Authority (VLHA) should be appointed as the new decision-making body authorized as a special agent to act on behalf of the Vail Town Council. There are numerous compelling reasons to appoint the VLHA as the Town’s special agent. Those reasons include:

- The VLHA is a statutory authority created under Colorado Revised Statutes (CRS 29-4-204) and granted powers of authority (CRS 29-4-209) which include, in part,
 - > to grant or lend moneys or otherwise provide financing to any person, firm, corporation for any project or any part thereof,
 - > to pledge or otherwise encumber any of its moneys in support o of on connection with a project, and
 - > to purchase, lease, obtain option upon, or acquire any property, real or personal, or any interest therein from any person, firm, corporation, the city, or a government.

- The VLHA is uniquely positioned to fill this role due to its singular purpose and focus.
- The VLHA members are appointed by the Vail Town Council, and therefore, its membership can include experts with the appropriate background and experiences.
- The VLHA was created to focus its efforts on maintaining and expanding the supply of resident housing opportunities in the community.
- The VLHA members serve five year staggered terms.

A NEW DECISION-MAKING STRUCTURE

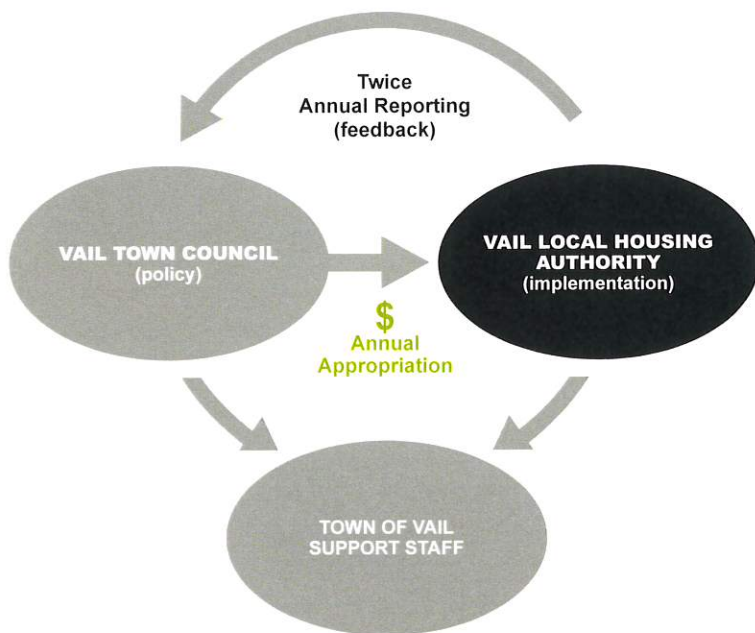


Figure 4: Decision-Making



ACTION

FOR IMPLEMENTATION



Deed Restriction Acquisition

- Establish deed restriction acquisition criteria
- Work with mortgage lenders and title companies to develop mutually acceptable deed restriction language
- Collaborate with The Valley Home Store and the Vail Board of Realtors to market and communicate the Town's interest in acquiring deed restrictions
- Evaluate dedicated deed restriction acquisition revenue sources to ensure adequate funding exists





Land Use Tools

- Establish a No Net Loss of Deed Restrictions Policy
- Create a Housing Overlay District that allows for increased density
- Evaluate the effectiveness of the EHU Exchange Program and make adjustments as needed
- Update the 2007 Rational Nexus Study to ensure changes in land use are consistent with current employee generation rates
- Amend the Fee in Lieu calculation to represent cost of construction instead of affordability gap



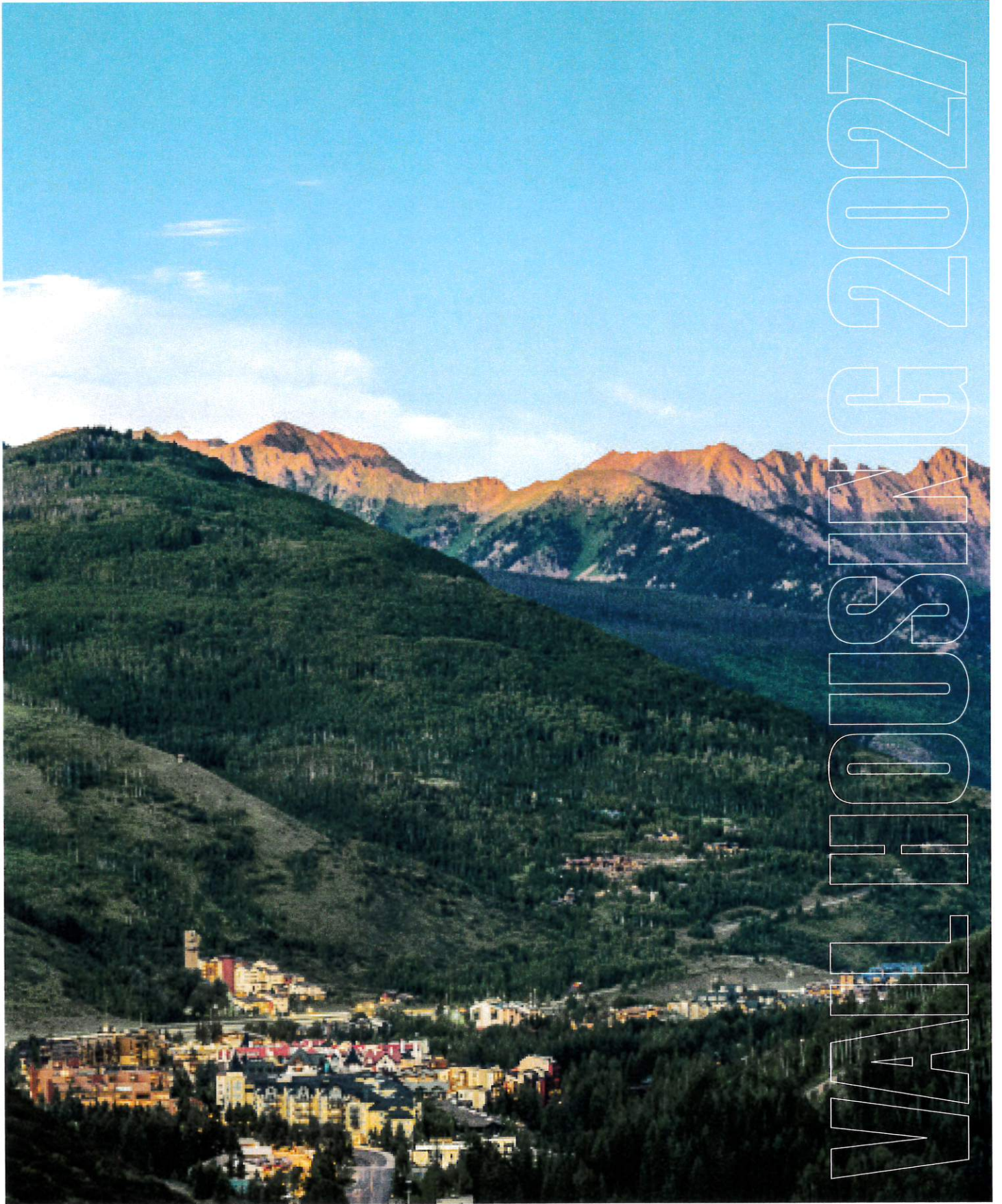
Performance Measurements

- Update existing deed restricted property data base to include additional factors such as cost, location and deed restriction language type
- Prepare a twice annual report summarizing progress towards the goal
- Maintain newly acquired deed restriction data such as unit type, location, cost, etc.



“The availability of housing for Vail residents is vital to the continued success of the Vail community. The Vail Town Council and the Vail Local Housing Authority are to be commended for taking a bold step towards addressing the housing needs of the citizens of Vail today, and those in the future.”

*~ George Ruther
Director of Community Development*



VAIL HOUSING 2027



TOWN OF VAIL

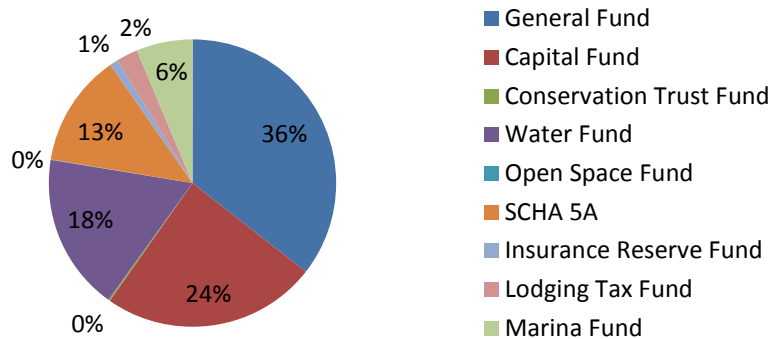
75 S. Frontage Rd. | Vail, CO 81657
970.479.2100 | vailgov.com/housing2027

**FINANCE REPORT - CASH POSITION
NOVEMBER 2018**

LEDGER BALANCES:

General Fund	\$7,936,959.15
Capital Fund	\$5,399,871.92
Conservation Trust Fund	\$42,736.33
Water Fund	\$3,935,260.82
Open Space Fund	\$12,083.31
SCHA 5A	\$2,835,382.36
Insurance Reserve Fund	\$204,702.80
Lodging Tax Fund	\$538,130.26
Marina Fund	\$1,411,349.66
TOTAL	\$22,316,476.61

Cash Percentage of Total Ledger

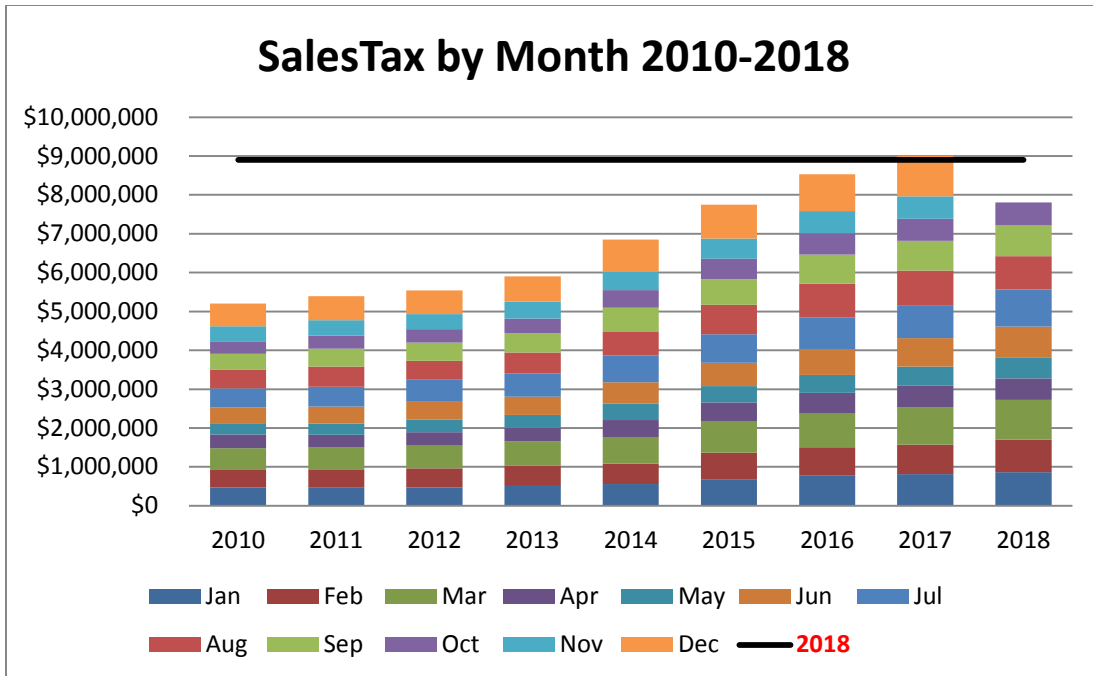


ALLOCATION OF FUNDS:

Wells Fargo Bank West NA - Operating Account Bank Balance	\$1,087,572.50
Wells Fargo Bank West NA - Payroll Account Bank Balance	(\$6,686.42)
Wells Fargo Bank West NA - Accounts Payable Bank Balance	(\$25,856.37)
DIT Cash Clearing Account	\$0.00
Colotrust Plus	\$11,073,238.24
CSAFE	\$1,102,007.56
CSIP	\$1,838,005.35
Solera National Bank Savings	\$1,387,475.07
Alpine Bank CD	\$270,769.90
FirstBank CD	\$266,997.82
Wells Fargo CD	\$2,529.93
Flatirons Bank CD	\$240,000.00
SIGMA Securities	\$2,656,443.91
McCook National Bank CD	\$250,000.00
Mountain View Bank of Commerce CD	\$240,000.00
Mutual Securities	\$713,160.65
ProEquities	\$1,220,818.47
TOTAL	\$22,316,476.61

**TREASURER'S REPORT
FUND SUMMARIES - NOVEMBER 2018**

Department	2018 Budget	Year to Date	% of Budget
General Fund:			
Revenues	\$13,682,928	\$12,015,004	87.8%
Expenditures	\$13,240,146	\$10,076,500	76.1%
Capital Fund:			
Revenues	\$2,865,425	\$2,192,842	76.5%
Expenditures	\$6,844,702	\$4,557,692	66.6%
Conservation Trust Fund:			
Revenues	\$26,250	\$22,136	84.3%
Expenditures	\$23,900	\$2,993	12.5%
Water Fund:			
Revenues	\$1,191,594	\$1,033,116	86.7%
Expenditures	\$1,550,313	\$1,368,430	88.3%
Open Space Fund:			
Revenues	\$100	\$238	237.7%
Expenditures	\$0	\$0	0.0%
SCHA 5A Fund:			
Revenues	\$2,766,000	\$2,535,792	91.7%
Expenditures	\$2,978,320	\$2,090,425	70.2%
Insurance Reserve Fund:			
Revenues	\$1,000	\$2,891	289.1%
Expenditures	\$65,000	\$0	0.0%
Lodging Tax Fund:			
Revenues	\$530,900	\$474,048	89.3%
Expenditures	\$643,535	\$470,572	73.1%
Marina Fund			
Revenues	\$1,368,500	\$2,076,207	151.7%
Expenditures	\$3,216,370	\$1,350,474	42.0%
92% OF THE FISCAL YEAR HAS ELAPSED			

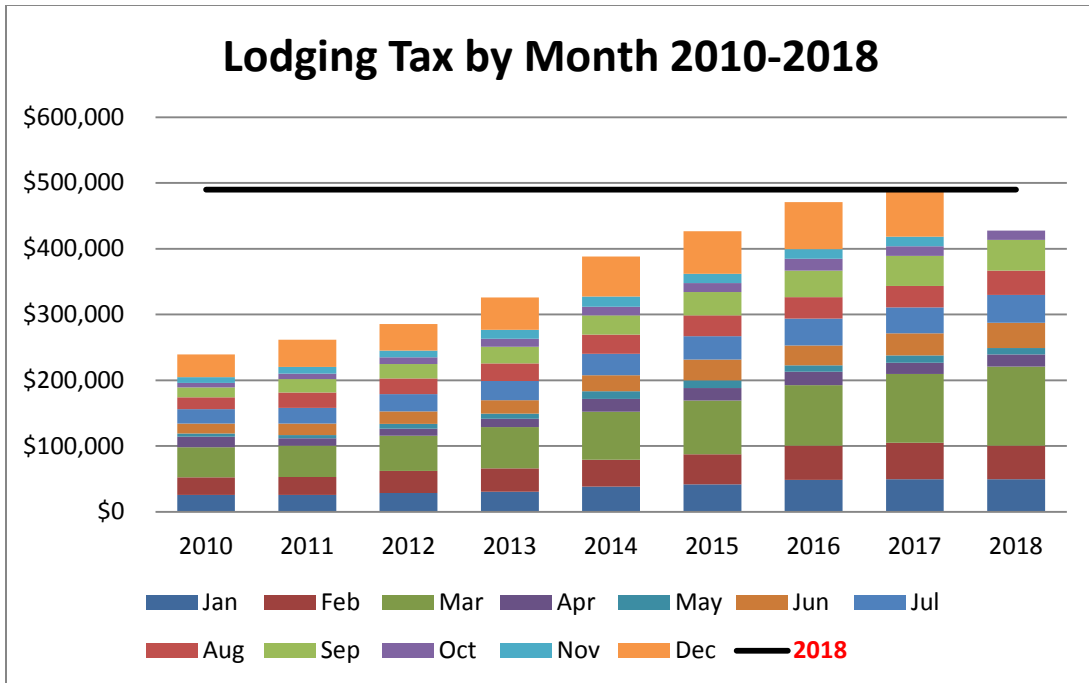


October total sales tax receipts posted an increase of 5.88% over October of 2017, or \$33,277 in actual dollars. Year-to-date, through October, total sales tax receipts are outpacing 2017 by 5.75%, or \$424,596 in actual dollars.

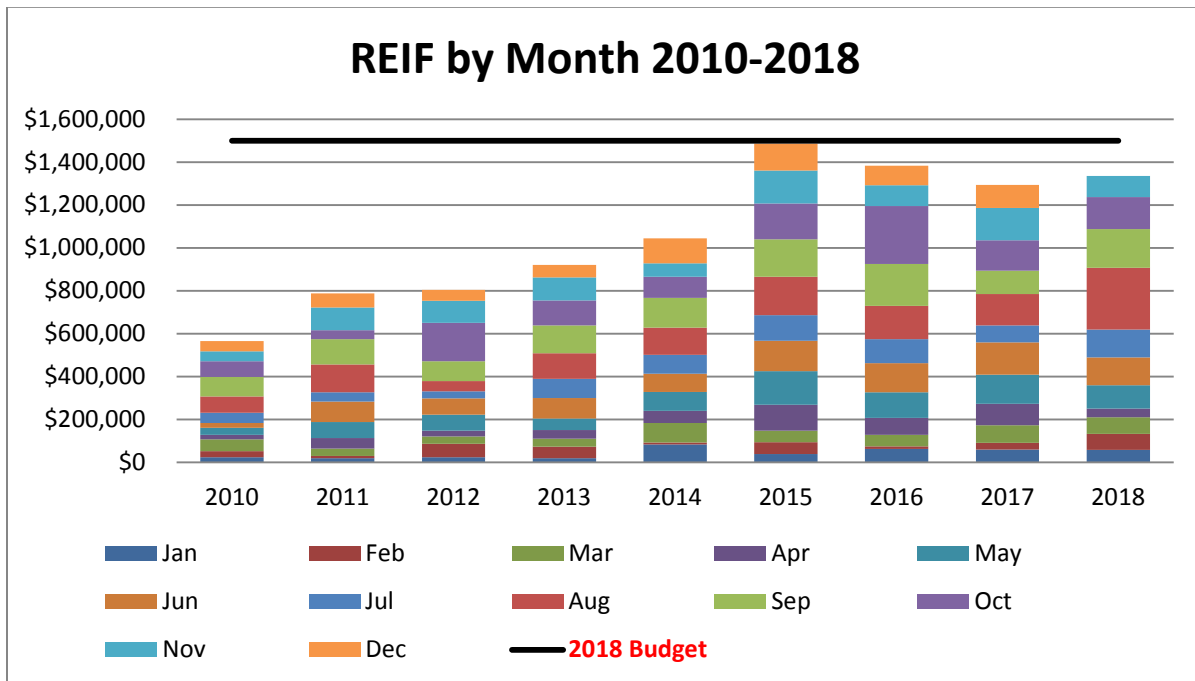
The most significant growth, in terms of actual dollars, was exhibited in the Retail-General and Home Improvement categories. Growth in the Retail-General category is partly due to the licensing of Amazon.com and related affiliates within the past year, but mostly due to increased ancillary spending across the board. Growth in the Home Improvement category has been significantly impacted by a very strong real estate and development market, including the remodeling of existing residential units and commercial projects.

The most significant declines, in terms of actual dollars, were exhibited in the Marijuana and Automotive categories. No overriding cause can be gleaned as of yet to explain the decline in the Marijuana category in October. The Automotive category, however, likely experienced declines based on the timing of significant snowfall in 2017 versus 2018.

All in all, October was another strong month for Frisco's business community and commercial activity throughout the Town. Strong national, state and local economies, along with the commensurate employment, population and ancillary spending growth, continue to drive increases in sales tax receipts. Marketing and infrastructure improvement efforts, undertaken by Council, staff and the entire community, have led to numerous new businesses opening their doors and many new consumers choosing to spend their time and hard-earned dollars here. As a mainly service based economy, it is also hard to overestimate the impact of local employees, who continually provide the levels of service and the experiences necessary to ensure that regulars and new guests keep patronizing local businesses. Frisco's positioning as a central shopping and dining hub, conveniently located for travelers along the I-70 corridor and for Summit County locals, continues to have an outsized positive impact, not just on the Grocery, Retail General and Restaurant categories, but most others as well.



Year-to-date through October is up 5.92% or \$23,891 compared to Y-T-D 2017. For the month of October, revenues are down 2.20% or \$318 compared to October 2017. Staff continues to be bullish on the short-term Frisco economy and remains confident that originally budgeted 2018 revenues will be met and/or exceeded by year's end.



Year-to-date through November is up 12.59% or \$149,370 compared to Y-T-D 2017. The actual year-to-date dollar amount is \$1,335,894 compared to \$1,186,524 Y-T-D 2017. For the month of November, revenues are down 34.78% or \$52,489 compared to November 2017.

**REIF REPORT
NOVEMBER 2018**

SELLER'S LAST NAME	BUYER'S LAST NAME AND ADDRESS	REIF AMOUNT
BRUSKOTTER TRUST	HIDDEN BRIDGE RANCH LLC, 213 FRISCO STREET, UNIT D	12750.00
BASIER	LAKEVIEW 1650 LLC, 1650 LAKEVIEW TERRACE, UNIT 205E	5350.00
TRUST	CHAPMAN, 1517 POINT DRIVE, UNIT C1517-202	5000.00
WALSH	FOCHI, 749 LAGOON DRIVE, UNIT 3D	500.00
LANE/COOK	PERRY STREET CO LLC, 315 SOUTH SECOND AVE, #106	0.00
COMSTOCK	SANDSTONE FINANCIAL GROUP INC, 855 SOUTH FIFTH AVE, UNIT G186 WKS 33 & 31	0.00
HAAR TRUST	WOLFE, 855 SOUTH FIFTH AVENUE, UNIT 376-G	4500.00
LANDWEHR/GREENWELL	LANDWEHR, 604 GRANITE STREET, UNIT 202	0.00
DORAN	COLEMAN/CARBONE, 749 LAGOON DRIVE, UNIT D	4350.00
ALL SEASON VACATION RENTALS LLC	HAN, 539 GRANITE STREET, UNIT B5	6100.00
BLANEY	BLANEY, 1630 LAKEVIEW TERRRACE, APT C103	0.00
BARKES	BEAL, 41 CR 1040	9150.00
MONSOON SKI LLC	UNIT 252H MOUNTAINSIDE CONDOMINIUM OWNERS ASSOC, 805 SOUTH FIFTH AVE, #252 - 1WK	0.00
SANDSTONE FINANCIAL GROUP INC	TOWN CENTRE LTD, 855 SOUTH FIFTH AVENUE, G186	480.00
SAYLOR	WILLIAMS/ADEN, 734 LAGOON DRIVE, #A	4390.00
WOLVERINE HOLDINGS LLC	WDG FRISCO LLC, 699 TEN MILE DRIVE, UNITS 10 & 11	20000.00
SPAULDING	NEWLIN, 111 LUPINE LANE	11325.00
DICKINSON	BINDER, 951 N TEN MILE DR, C17	3950.00
LISLE TRUST	LISLE, 401 GRANITE STREET, #18	0.00

WEBER ENTERPRISES INC	HELMUT WEBER CONSTRUCTION COMPANY, 312 STREAMSIDE LANE	0.00
ROSENFELD	ROSENFELD/PEARCE, 216D SOUTH FIFTH AVE	0.00
FREDERICK/POTTLE	POTTLE, 915 LAKEPOINT CR, B	0.00
HOLLEY	FERGUSON, 203 CREEKSIDE DR, UNIT 207	0.00
FERGUSON	CAPPS, 203 CREEKSIDE DR, UNIT 207	6100.00
GORTON	GORTON, 502 GRANITE ST	0.00
ITEM V TRUST	GRIZZLE, 900 MEADOW CREEK DR, UNIT 301	4500.00
		98,445.00

Report Criteria:

Business.License status = "Active"

Business.Year opened = "December 2018"

Business Owner.Sequence number = 1

in or out City	Business Name	Name	Location	Location City	Business Telephone 1	Business Activity
In	Frisco 6 LLC	Tham, Edward and Bridget Rogers	317 Galena Street Unit F	Frisco		Vacation Rentals
In	Frisco Digs	Battenfelder, Rebecca and Bryant	855 South 5th Avenue Unit G186	Frisco	610-247-3827	Vacation Rentals
In	High Rockies Trading Co	Boyer, Angie	101 South 7th Avenue	Frisco	917-423-5006	Retail - Arts/Crafts
In	Kerri Marsh	Marsh, Kerri	915A Lakepoint Circle	Frisco	970-390-3626	Vacation Rentals
In	Lagoon Rental / Joseph H Fillmor	Fillmore, Joseph	736 D Meadow Creek Drive	Frisco	720-979-8229	Vacation Rentals
In	River Glen 105B	Norden, Mark and Claudine	85 Galena Street #105B	Frisco	303-885-4673	Vacation Rentals
In	Shellie Nowicki	Nowicki, Shellie and Ralph	732 Meadowcreek Drive Unit A	Frisco	303-619-2753	Vacation Rentals
In	Steben & Anthony CPAs PC	Hettinger, Anthony	610 Main Street 14-C	Frisco	970-668-8484	Services
In	Sunshine Property Investors	Pierson, Mark and Sheri	117 Alpine Drive Unit D	Frisco	970-427-4440	Vacation Rentals
In	VIOC Frisco	Walche, Warren	800 Summit Boulevard	Frisco	970-241-7730	Retail - Automotive
Out	10 Strawberry Street	Zucker, Zackary	3837 Monaco Parkway	Denver	303-320-5525	Retail - General
Out	Cain Electric	Cain, Greg and Candie	53 Titmouse Drive	Alma	970-406-0342	Retail - HomeImprove
Out	Crossville Studios	Crossville	5800 East Jewell Avenue	Denver	303-759-1919	Retail - HomeImprove
Out	Dal-Tile Distribution	Dal-Tile Distribution	160 South Ind. Boulevard	Calhoun	706-624-2144	Retail - HomeImprove
Out	Fanatics Retail Group Fulfillment	Levitan, Lauren Cooks	8100 Nations Way	Jacksonville	904-271-4608	Retail - Clothing
Out	Frontier Business Products	Mitschke, Peter and Carol	3250 Quentin Street Suite 120	Aurora	303-390-3609	Retail - Office
Out	Gilbarco Veeder-Root	Gilbarco	7300 West Friendly Avenue	Greensboro	336-547-5561	Retail - Office
Out	High Country Copiers	High Country Copiers	56 Edwards Village Boulevard Sui	Edwards	970-845-7870	Retail - Office
Out	Mountain State Chemical	Williams, Todd	3705 Sinton Road	Colorado Springs	719-243-2585	Retail - General
Out	Nordic Refridgeration	Nordic Refrigeration	101 Airpark Drive Unit B4	Gypsum	970-524-2700	Retail - HomeImprove
Out	ProCorp Images	Bowman, Richard	359 Inverness Drive South #A	Englewood	303-781-9300	Retail - Office
Out	R&R Roofing & Siding	Riesberg, Dennis and Rachel	60752 US Hwy 285	Bailey	303-838-8126	Retail - HomeImprove
Out	Roberts Construction	Roberts, Corey	180 Evergreen Road E-204	Dillon	970-485-9583	None
Out	Wellevate	Wellevate	1230 Elm Street Ste 301	Manchester	603-656-9778	Services
Out	Wild Wild West Colorado Mtn Pho	Yeager, Mark	500 Main Street #2N	Breckenridge	970-485-9027	Retail - Arts/Crafts



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: VANESSA AGEE, MARKETING AND COMMUNICATIONS DIRECTOR
RE: MARKETING AND EVENTS DEPARTMENT STAFF REPORT
DATE: JANUARY 8, 2019

Public Relations:

- Both Frisco and Copper were featured on [AFAR online](#) about the best mountain towns for work and play. AFAR's editorial content focuses on world culture, geopolitics, nature travel and personal growth, including music, arts, literature, eco-travel and transformation through travel and has 88,527 unique monthly visitors.
- A feature in the Sunday edition of the [Austin American Statesman](#) (page 59) also mentioned Frisco. The Statesman has a daily circulation of 85,000 and digital subscriptions of 16,786.
- Channel 7 [featured the Frisco Nordic Center](#) in a piece that is 1:51 minutes in length.
- The Know, Denver Post's lifestyle website, included Outer Range in their article: "[7 après-ski spots along I-70 to finish off a powder day.](#)" The freelance writer, Brittany Anas, has covered Frisco several times in the past, and she reached out asking for recommendations for this story. The Know receives 588,460 unique monthly visitors.
- Frisco and Copper Mountain were included in [a story on TravelPulse](#) (slide #10) regarding 25 places to travel to in December. TravelPulse delivers travel industry news, video content, travel tips, information on destination travel and more. The outlet reaches 698,359 unique monthly visitors.

Special Events: Wassail Days proved to be popular again in 2018. Here is a recap by the numbers:

- **Tree Lighting, Fireworks and Luminaries-** 300 attendees on this snowy night (350 in 2017 and 100 in 2016)
- **Santa Visits at the Historic Park-** 450 kids and their parents come through the Museum (450 in 2017 and 200 in 2016)

- **Soup Cup Classic-** 181 (188 in 2017 and 200 in 2016) guests in attendance sampling 21 different soups (16 in 2017 and 17 in 2016)
- **Santa's Calling-** 66 (113 in 2017 and 67 in 2016) children who received a phone call from Santa with an assist from the Lake Dillon Fire Rescue
- **Free Tubing** from 4pm-6pm- 145 tubers (174 in 2017 and 86 in 2016)
- **Free Nordic Skiing-** 12 people in challenging weather (11 in 2017 and 57 in 2016)
- **Wassail Night at the Museum-** 150 people (200 in 2017 and 125 in 2016)
- **Breakfast with Santa** benefitting the Summit County Preschool-165 attendees (165 in 2017 and 112 in 2016) new location at the Summit County Community and Senior Center.

2018 Wassail Winners:

- 1st place: Rivers Clothing Company
- 2nd place: Frisco Lodge
- 3rd place: Colisco Wearables

12 Sips of Wassail stamp cards: **1,865** redeemed reflecting **22,380** unique merchant visits
66 businesses participated in Wassail Days (67 in 2017)

Compared to

- 2017 12 sips of Wassail punch cards: **1,797** redeemed for a commemorative Frisco mug reflecting **21,564** unique merchant visits
- 2016 12 sips of Wassail punch cards: **1,098** redeemed for a commemorative Frisco mug reflecting **13,176** unique merchant visits
- 2015 numbers for Wassail punch cards: **770** cards redeemed for a commemorative Frisco mug reflecting **9,240** unique merchant visits

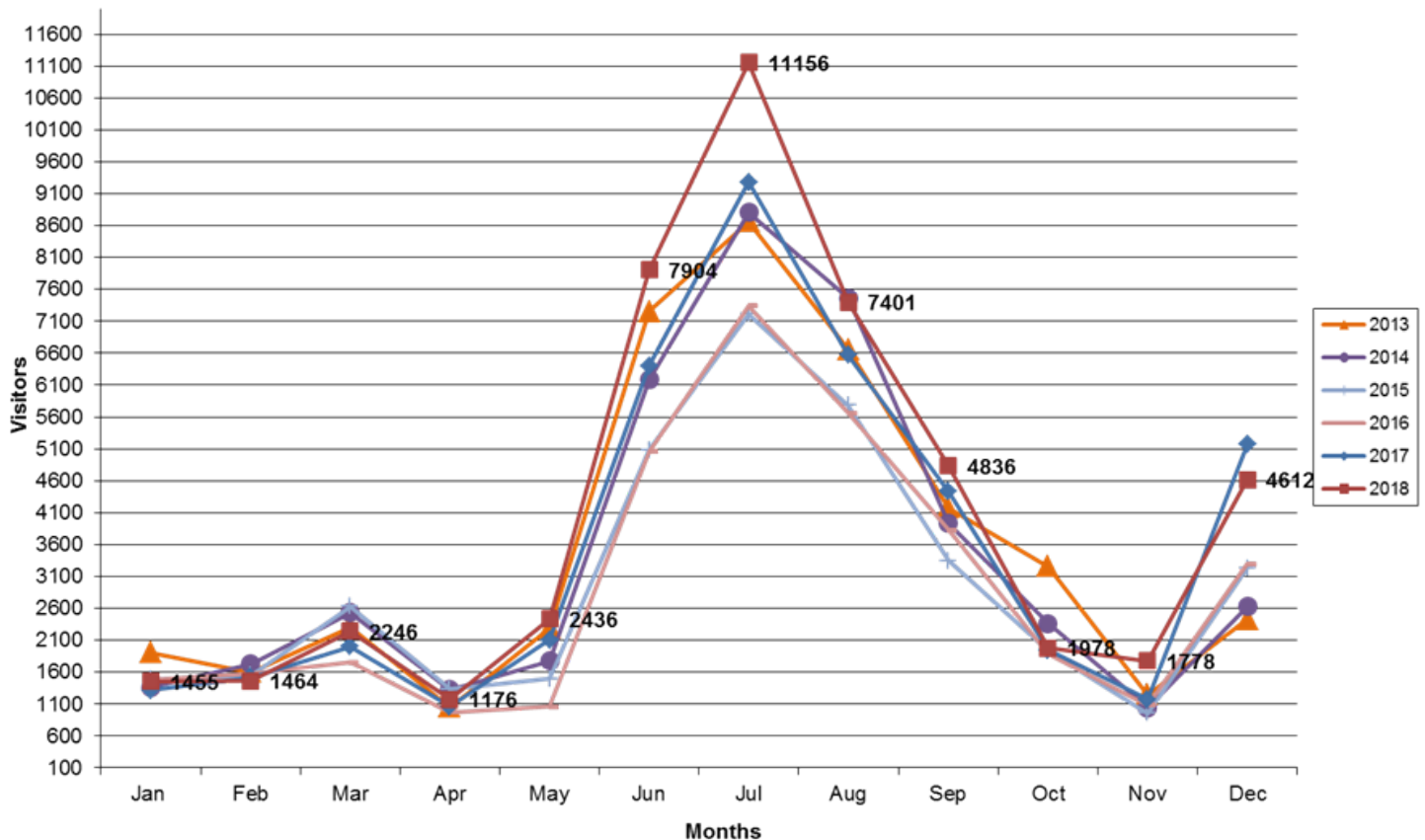
In December during a **Wassail Days recap** with merchants and Town staff, merchants decided that 2019 Wassail Days dates would be **November 30- December 8, 2019**, shortening the event by one day and starting Wassail Days with the lighting event just two days after Thanksgiving on "small business Saturday". Merchants want to see a return of the fireworks for 2019 and feel that the luminaries are no longer necessary, as they are not impactful enough to justify the significant resources required to build and place them.

Frisco/Copper Visitor Information Center: Visitor numbers for December 2018:

- The Information Center saw 4,612 visitors in December 2018 (5,170 in December 2017). Decrease largely due to first day of Wassail Days falling in November this year. The Information Center had its busiest Christmas Eve in 7 years, seeing 107 people in 5 hours.

- The Information Center answered 249 phone calls in December 2018 (318 in December 2017).
- Public computer use- 24 in December 2018 (39 in December 2017)
- New to the monthly reports starting in January 2018, the Information Center is tracking restroom usage.
 - Men’s restroom usage December 1-31, 2018: 2,236
 - Women’s restroom usage December 20-31, 2018: 1,024 – new counter installed December 20 so this number reflects December 20-31 usage
- The Information Center started selling discounted lift tickets for Copper Mountain Resort again this season for \$110 for adults and \$80 for children; sales have been swift.
- The Information Center saw a total of 3,542 visitors during Wassail Days (November 30-December 9), an increase of 76 from 2017.
- Guest comment highlights: “Thanks for the wonderful gift wrapping!” “Love Frisco & Wassailing!” “Hallmark Channel worthy!” “Thanks for the water bottles.” “Thanks Catherine for the gift wrapping!”

Walk in Visitors 2013-2018



Town of Frisco - Monthly Sales Tax Report

<u>Restaurants</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>		<u>Change in \$</u>
January	103,336	123,808	138,059	140,750	156,201	10.98%	15451
February	100,782	122,488	133,274	137,809	149,301	8.34%	11492 #
March	133,737	144,212	151,570	165,067	172,194	4.32%	7127
April	78,405	74,813	88,629	80,381	92,165	14.66%	11784
May	56,115	60,260	70,262	79,434	87,404	10.03%	7970
June	88,158	98,021	119,444	136,345	135,401	-0.69%	(944)
July	129,813	153,430	169,660	158,493	190,926	20.46%	32433
August	109,970	141,945	167,364	159,088	159,691	0.38%	603
September	109,745	109,126	125,781	128,645	135,573	5.39%	6928
October	75,534	90,225	84,887	89,351	93,044	4.13%	3693
November	64,463	78,024	79,326	82,926			
December	116,864	130,367	138,261	141,064			
Total	\$1,166,922	\$1,326,719	\$1,466,517	\$1,499,353	\$1,371,900	7.57%	96537

<u>Hotels & Inns</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>		
January	50,262	54,785	60,600	64,623	60,926	-5.72%	(3697)
February	50,375	62,759	70,275	75,564	65,361	-13.50%	(10203)
March	60,740	70,375	66,762	67,259	78,498	16.71%	11239
April	39,662	26,345	36,272	27,374	20,071	-26.68%	(7303)
May	18,938	16,311	15,644	15,695	14,470	-7.81%	(1225)
June	28,027	37,136	33,721	34,961	37,018	5.88%	2057
July	47,085	51,338	55,083	54,072	56,072	3.70%	2000
August	41,934	46,645	45,372	46,517	52,877	13.67%	6360
September	30,846	35,373	38,028	38,566	34,959	-9.35%	(3607)
October	19,819	20,487	22,071	21,741	21,835	0.43%	94
November	25,445	21,640	20,427	17,926			
December	56,659	63,676	59,899	54,167			
Total	\$469,792	\$506,870	\$524,154	\$518,465	\$442,087	-0.96%	(4285)

<u>Vacation Rntl</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>		
January	19,558	20,546	30,646	25,276	46,147	82.57%	20871
February	17,033	22,195	23,104	32,150	39,981	24.36%	7831
March	58,871	68,814	80,560	97,491	111,099	13.96%	13608
April	9,681	9,400	11,939	11,480	17,470	52.18%	5990
May	2,485	3,765	946	7,252	5,995	-17.33%	(1257)
June	12,129	16,978	15,275	24,430	29,184	19.46%	4754
July	10,771	13,125	16,337	20,191	23,448	16.13%	3257
August	8,508	9,918	12,902	14,905	19,450	30.49%	4545
September	19,017	22,996	27,228	39,637	42,030	6.04%	2393
October	3,850	1,916	7,170	12,026	14,501	20.58%	2475
November	5,791	7,037	8,011	22,146			
December	43,685	45,672	58,489	73,342			
Total	\$211,379	\$242,362	\$292,607	\$380,326	\$349,305	22.63%	64467

<u>Grocery</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>		
January	70,024	140,246	153,153	170,886	177,768	4.03%	6882
February	70,258	137,865	148,305	165,669	173,670	4.83%	8001
March	76,500	144,155	154,072	181,072	197,143	8.88%	16071
April	60,590	112,876	119,076	142,933	130,291	-8.84%	(12642)
May	97,380	76,414	84,800	101,259	109,421	8.06%	8162
June	101,576	92,284	106,376	119,132	147,908	24.15%	28776
July	163,734	133,132	169,321	157,304	221,271	40.66%	63967
August	128,309	207,378	228,754	272,161	173,636	-36.20%	(98525)
September	115,078	127,602	186,582	154,227	161,446	4.68%	7219
October	78,833	103,790	102,128	106,158	110,704	4.28%	4546
November	94,422	100,390	116,365	97,386			
December	149,835	150,928	159,419	259,177			
Total	\$1,206,539	\$1,527,060	\$1,728,351	\$1,927,364	\$1,603,258	2.07%	32457

<u>Retail -Gnrl</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>		
January	131,266	134,380	142,397	142,695	156,082	9.38%	13387
February	119,736	119,483	126,400	125,800	135,324	7.57%	9524
March	140,816	146,602	148,339	146,621	169,424	15.55%	22803
April	104,528	100,391	103,805	115,380	107,993	-6.40%	(7387)
May	103,037	106,097	111,790	110,343	124,256	12.61%	13913
June	130,850	136,153	147,974	150,766	163,758	8.62%	12992
July	142,153	151,700	163,840	161,460	180,059	11.52%	18599
August	137,315	140,918	149,761	149,692	166,988	11.55%	17296

September	124,958	126,401	125,594	138,046	142,780	3.43%	4734
October	107,498	136,545	127,889	119,127	134,034	12.51%	14907
November	131,649	123,486	131,388	142,805			
December	177,389	189,409	184,112	198,047			
Total	\$1,551,195	\$1,611,565	\$1,663,289	\$1,700,782	\$1,480,698	8.88%	120768

<u>Arts/Crafts</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>		
January	1,378	940	648	318	163	-48.74%	(155)
February	2,683	1,453	2,984	244	30	-87.70%	(214)
March	1,903	1,941	703	784	1,776	126.53%	992
April	902	1,061	665	3,478	56	-98.39%	(3422)
May	1,430	824	638	277	147	-46.93%	(130)
June	2,404	1,466	1,296	633	611	-3.48%	(22)
July	2,719	2,202	1,590	1,378	2,441	77.14%	1063
August	3,762	3,616	6,859	5,595	5,767	3.07%	172
September	6,624	7,918	1,815	979	2,316	136.57%	1337
October	989	1,787	218	410	388	-5.37%	(22)
November	911	1,142	663	38			
December	2,265	2,565	1,412	1,814			
Total	\$27,970	\$26,915	\$19,491	\$15,948	\$13,695	-2.84%	(401)

<u>Automotive</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>		
January	26,985	30,373	37,268	34,626	28,339	-18.16%	(6287)
February	12,128	24,858	25,379	23,245	23,055	-0.82%	(190) ##
March	23,724	25,806	25,220	25,450	23,886	-6.15%	(1564)
April	22,222	25,337	28,611	23,487	23,770	1.20%	283
May	22,627	24,080	26,745	24,989	25,517	2.11%	528
June	24,829	26,537	27,009	31,874	28,383	-10.95%	(3491)
July	28,006	34,525	30,145	32,522	31,531	-3.05%	(991)
August	31,675	31,481	34,226	34,581	31,222	-9.71%	(3359)
September	26,275	28,013	31,170	27,669	27,763	0.34%	94
October	36,894	28,581	34,176	41,342	35,628	-13.82%	(5714)
November	23,331	36,699	33,763	32,893			
December	43,739	22,378	39,044	30,384			
Total	\$322,435	\$338,668	\$372,756	\$363,062	\$279,094	-6.90%	(20691)

<u>Clothing</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>		
January	5,702	6,066	7,316	8,757	12,634	44.27%	3877
February	6,785	7,887	10,476	11,819	9,995	-15.43%	(1824)
March	9,837	11,828	11,576	16,478	14,832	-9.99%	(1646)
April	5,505	4,588	8,145	5,047	8,061	59.72%	3014
May	6,688	5,346	6,956	11,026	10,686	-3.08%	(340)
June	11,383	11,772	13,912	16,222	19,307	19.02%	3085
July	16,274	16,546	21,339	22,573	20,945	-7.21%	(1628)
August	12,992	15,228	18,253	19,487	23,539	20.79%	4052
September	14,351	15,760	17,476	20,336	23,046	13.33%	2710
October	7,574	7,723	9,580	11,300	11,144	-1.38%	(156)
November	6,864	6,602	6,236	8,621			
December	13,526	15,419	21,644	19,570			
Total	\$117,481	\$124,765	\$152,909	\$171,236	\$154,189	7.79%	11144

<u>Furnishings</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>		
January	11,837	16,791	20,878	22,719	29,351	29.19%	6632
February	12,286	18,231	20,521	19,223	26,323	36.93%	7100
March	18,981	15,287	24,373	25,798	28,089	8.88%	2291
April	9,434	12,560	19,930	12,315	12,818	4.08%	503
May	16,282	16,083	20,545	20,607	18,783	-8.85%	(1824)
June	18,333	23,036	24,167	25,230	21,420	-15.10%	(3810)
July	19,816	25,180	25,821	39,353	31,991	-18.71%	(7362)
August	23,877	21,653	29,061	30,813	29,667	-3.72%	(1146)
September	24,741	23,616	29,937	46,867	30,132	-35.71%	(16735)
October	20,337	18,569	33,785	29,650	29,787	0.46%	137
November	24,645	23,175	27,183	29,019			
December	25,315	29,734	45,303	37,822			
Total	\$225,884	\$243,915	\$321,504	\$339,416	\$258,361	-5.21%	(14214)

<u>Gifts</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>		
January	6,342	9,042	7,808	6,637	11,369	71.30%	4732
February	7,219	7,293	8,675	7,974	7,254	-9.03%	(720)
March	8,253	11,627	11,213	11,591	11,813	1.92%	222
April	7,898	5,190	6,519	6,878	6,567	-4.52%	(311)
May	3,374	5,036	5,376	5,058	6,240	23.37%	1182

June	9,733	9,219	9,752	11,294	11,862	5.03%	568
July	13,267	14,397	15,760	13,126	15,028	14.49%	1902
August	9,232	10,777	12,240	12,876	13,289	3.21%	413
September	14,827	10,816	13,345	11,731	12,889	9.87%	1158
October	7,250	8,859	8,141	7,872	7,212	-8.38%	(660)
November	5,989	6,270	8,045	7,408			
December	13,960	16,344	18,320	15,876			
Total	\$107,344	\$114,870	\$125,194	\$118,321	\$103,523	8.93%	8486

HomeImprove	2014	2015	2016	2017	2018		
January	15,237	20,378	18,844	22,471	19,894	-11.47%	(2577)
February	15,734	14,208	20,598	1,091	44,950	4020.07%	43859
March	21,660	23,202	25,375	41,251	37,378	-9.39%	(3873)
April	16,427	18,705	23,179	34,112	36,382	6.65%	2270
May	25,965	32,094	32,369	41,625	58,853	41.39%	17228
June	44,022	43,476	55,720	63,439	74,330	17.17%	10891
July	30,089	37,552	40,048	45,246	63,318	39.94%	18072
August	31,389	30,749	46,690	56,190	65,861	17.21%	9671
September	47,225	56,080	45,570	67,264	69,828	3.81%	2564
October	32,594	30,274	43,848	48,019	59,644	24.21%	11625
November	20,433	29,620	37,462	38,337			
December	38,804	34,166	38,477	43,967			
Total	\$339,579	\$370,504	\$428,180	\$503,012	\$530,438	26.08%	109730

Liquor	2014	2015	2016	2017	2018		
January	21,789	29,879	34,109	34,908	37,193	6.55%	2285
February	23,806	31,520	37,225	38,396	39,724	3.46%	1328
March	24,489	30,811	36,457	38,847	42,443	9.26%	3596
April	13,200	19,425	19,790	19,673	19,296	-1.92%	(377)
May	11,980	15,038	16,886	17,900	19,858	10.94%	1958
June	16,440	21,180	25,571	26,991	29,682	9.97%	2691
July	23,330	31,359	35,464	34,824	38,594	10.83%	3770
August	21,650	25,425	29,872	23,802	33,933	42.56%	10131
September	14,838	22,070	24,853	26,368	25,824	-2.06%	(544)
October	13,223	17,541	18,987	18,851	20,009	6.14%	1158
November	16,392	21,046	23,545	24,361			
December	31,128	41,152	43,585	46,989			
Total	\$232,265	\$306,446	\$346,344	\$351,910	\$306,556	9.27%	25996

Office	2014	2015	2016	2017	2018		
January	2,395	2,561	2,419	2,984	3,640	21.98%	656
February	1,780	2,850	2,471	3,231	2,799	-13.37%	(432)
March	4,799	3,084	3,316	3,862	3,882	0.52%	20
April	2,842	3,132	2,244	2,453	3,248	32.41%	795
May	2,398	1,958	2,400	3,104	3,188	2.71%	84
June	3,156	2,485	2,822	4,482	4,436	-1.03%	(46)
July	2,712	2,225	2,824	3,302	3,446	4.36%	144
August	2,268	2,499	2,977	3,265	3,818	16.94%	553
September	3,381	3,427	4,314	4,539	4,089	-9.91%	(450)
October	2,212	2,654	3,186	3,434	3,471	1.08%	37
November	2,952	2,396	3,102	3,364			
December	3,536	5,383	5,818	6,278			
Total	\$34,431	\$34,654	\$37,893	\$44,298	\$36,017	3.93%	1361

Health/Beauty	2014	2015	2016	2017	2018		
January	1,499	2,586	5,808	3,561	7,074	98.65%	3513
February	1,696	1,616	3,653	7,724	3,295	-57.34%	(4429)
March	9,426	5,434	7,078	6,870	5,994	-12.75%	(876)
April	1,527	2,533	3,769	3,851	4,237	10.02%	386
May	1,561	2,875	3,572	3,680	3,077	-16.39%	(603)
June	2,791	5,122	5,849	6,018	6,437	6.96%	419
July	1,321	2,532	3,547	3,744	3,916	4.59%	172
August	1,352	2,263	4,099	3,721	3,187	-14.35%	(534)
September	4,373	7,258	6,144	5,453	8,540	56.61%	3087
October	1,263	1,845	3,666	2,710	3,513	29.63%	803
November	2,239	1,882	3,552	2,826			
December	7,586	6,728	6,966	6,916			
Total	\$36,634	\$42,674	\$57,703	\$57,074	\$49,270	4.09%	1938

Recreation	2014	2015	2016	2017	2018		
January	31,680	26,830	39,025	48,459	42,007	-13.31%	(6452)
February	35,013	45,237	38,817	44,530	48,795	9.58%	4265

March	45,072	53,634	50,045	53,565	59,541	11.16%	5976
April	15,844	15,578	16,752	20,888	16,770	-19.71%	(4118)
May	10,563	11,669	19,650	14,608	12,596	-13.77%	(2012)
June	29,602	36,185	34,470	35,604	33,700	-5.35%	(1904)
July	19,807	22,065	28,445	42,432	29,948	-29.42%	(12484)
August	19,366	23,953	33,707	4,322	24,299	462.22%	19977
September	18,929	27,795	23,680	22,731	25,031	10.12%	2300
October	8,462	15,781	12,161	10,447	10,601	1.47%	154
November	19,462	21,554	18,903	17,648			
December	52,494	57,921	60,891	54,047			
Total	\$306,294	\$358,202	\$376,546	\$369,281	\$303,288	1.92%	5702

<u>Utility</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>		
January	46,904	51,370	48,906	49,663	44,089	-11.22%	(5574)
February	41,865	42,255	39,071	41,972	44,868	6.90%	2896
March	39,412	41,961	40,585	42,460	39,552	-6.85%	(2908)
April	36,330	33,246	34,472	34,060	34,859	2.35%	799
May	32,140	29,498	28,371	29,576	29,875	1.01%	299
June	27,021	26,961	26,823	31,178	27,374	-12.20%	(3804)
July	25,519	27,369	16,705	34,970	26,360	-24.62%	(8610)
August	27,264	27,227	30,946	34,989	24,172	-30.92%	(10817)
September	27,002	25,370	27,369	18,689	26,115	39.73%	7426
October	29,833	27,653	29,297	28,058	30,857	9.98%	2799
November	24,978	26,771	37,326	31,353			
December	42,320	43,814	41,028	38,566			
Total	\$400,588	\$403,495	\$400,899	\$415,534	\$328,121	-5.06%	(17494)

<u>Marijuana</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>		
January	9,733	14,309	24,010	31,168	27,131	-12.95%	(4037)
February	8,541	20,072	22,824	25,041	26,085	4.17%	1044
March	9,680	15,930	25,726	28,648	29,899	4.37%	1251
April	9,011	15,011	15,819	16,147	16,065	-0.51%	(82)
May	5,943	9,480	10,559	11,489	12,648	10.09%	1159
June	6,845	11,318	13,787	15,041	16,920	12.49%	1879
July	9,023	17,586	19,387	18,086	17,930	-0.86%	(156)
August	7,904	15,034	19,542	19,409	24,648	26.99%	5239
September	6,933	12,761	15,544	16,677	16,074	-3.62%	(603)
October	5,562	11,563	14,585	15,612	13,013	-16.65%	(2599)
November	5,778	10,236	8,481	14,784			
December	11,305	19,464	22,820	24,375			
Total	\$96,258	\$172,764	\$213,084	\$236,477	\$200,413	1.57%	3095

<u>Summary</u>	<u>2014*</u>	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018</u>		
January	546,194	670,581	771,894	810,501	860,008	6.11%	49507
February	519,179	662,198	734,052	761,482	840,810	10.42%	79328
March	678,220	798,773	862,970	953,114	1,027,443	7.80%	74329
April	424,997	465,180	539,616	559,937	550,119	-1.75%	(9818)
May	412,963	407,348	457,509	497,922	543,014	9.06%	45092
June	550,454	588,011	663,968	733,640	787,731	7.37%	54091
July	676,416	718,677	815,316	843,076	957,224	13.54%	114148
August	610,863	741,675	872,625	891,413	856,044	-3.97%	(35369)
September	602,210	649,621	744,430	768,424	788,435	2.60%	20011
October	446,165	514,230	555,775	566,108	599,385	5.88%	33277
November	469,966	507,734	563,778	573,841	0		
December	819,105	855,656	945,488	1,052,401	0		
Total	\$6,756,732	\$7,579,684	\$8,527,421	\$9,011,859	\$7,810,213	5.75%	424596

YTD 2017 **\$7,385,617**
YTD \$ Difference **\$424,596**
YTD Change **5.75%**

* Totals include late penalties & interest...

***** Beginning January 2014, medicinal marijuana sales tax will be removed from the Health/Beauty category and reported in a new category, along with retail marijuana sales tax

A significant collection from prior periods occurred in the Restaurant category in February of 2013, inflating totals reported in that period and leading to a significant decline in 2014

Based on a vendor's incorrectly filed returns at the State level, the Dept. of Revenue redistributed a significant amount of County sales tax in the Automotive category for February of 2014

**RECORD OF PROCEEDINGS
MINUTES OF THE SPECIAL MEETING
OF THE TOWN COUNCIL OF THE TOWN OF FRISCO
DECEMBER 17, 2018**

Mayor Wilkinson called the meeting to order at 5:00 p.m. Town Clerk Deborah Wohlmuth called the roll.

Present: Jessica Burley
Dan Fallon
Rick Ihnken
Hunter Mortensen
Deborah Shaner
Melissa Sherburne
Gary Wilkinson

Absent:

Executive Session:

Agenda Item #1: Executive Session Pursuant to C.R.S. 24-6-402(4) (e), Determining Positions Relative To Matters That May Be Subject to Negotiations; Developing Strategy For Negotiations, and Instructing Negotiators; and (f), Concerning Personnel Matters Regarding Town Manager Finalist Interviews and Contract Negotiations with Nancy Kerry

MOTION: COUNCIL MEMBER MORTENSEN MOVED TO ENTER AN EXECUTIVE SESSION PURSUANT TO C.R.S. 24-6-402(4) (E), DETERMINING POSITIONS RELATIVE TO MATTERS THAT MAY BE SUBJECT TO NEGOTIATIONS; DEVELOPING STRATEGY FOR NEGOTIATIONS, AND INSTRUCTING NEGOTIATORS; AND (F), CONCERNING PERSONNEL MATTERS REGARDING TOWN MANAGER FINALIST INTERVIEWS AND CONTRACT NEGOTIATIONS WITH NANCY KERRY. SECOND, COUNCIL MEMBER FALLON VOTE:

BURLEY	YEA	SHANER	YEA
FALLON	YEA	SHERBURNE	YEA
IHNKEN	YEA	WILKINSON	YEA
MORTENSEN	YEA	MOTION CARRIED.	

MOTION: COUNCIL MEMBER MORTENSEN MOVED TO EXIT EXECUTIVE SESSION PURSUANT TO C.R.S. 24-6-402(4) (E), DETERMINING POSITIONS RELATIVE TO MATTERS THAT MAY BE SUBJECT TO NEGOTIATIONS; DEVELOPING STRATEGY FOR NEGOTIATIONS, AND INSTRUCTING NEGOTIATORS; AND (F), CONCERNING PERSONNEL MATTERS REGARDING TOWN MANAGER FINALIST INTERVIEWS AND CONTRACT NEGOTIATIONS WITH NANCY KERRY. SECOND, COUNCIL MEMBER FALLON. VOTE:

BURLEY	YEA	SHANER	ABSENT
FALLON	YEA	SHERBURNE	YEA
IHNKEN	YEA	WILKINSON	YEA
MORTENSEN	YEA	MOTION CARRIED.	

There being no further business, the meeting adjourned at 7:30 p.m.

Respectfully Submitted,

Deborah Wohlmuth, CMC
Town Clerk



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: DEBORAH WOHLMUTH, TOWN CLERK
RE: RESOLUTION 19-01, NAMING 2019 PUBLIC POSTING LOCATIONS
DATE: JANUARY 8, 2019

Background: In compliance with the Colorado Sunshine Act of 1972 and C.R.S. 24-6-402, each governing body must designate the location for posting of public meetings at the first meeting of the year. Further, Frisco's Home Rule Charter requires notice of special meetings posted in at least two public places, at least one of which is open to the public during evening hours.

Analysis: The bulletin board outside the east vestibule at Frisco Town Hall, One Main Street, and the Frisco Post Office, 0035 West Main Street, Frisco, Colorado which are both open to the public during day and evening hours, are hereby designated as the public places for the posting of notices for special meetings of the Frisco Town Council, Commissions, and Committees for the year 2019. The bulletin board in the south vestibule at Frisco Town Hall, One Main Street, which is open to the public during day and evening hours, is hereby designated as the public place for the posting of the Town Council, Commissions, and Committee Agendas.

Staff Recommendation: On that basis, it is my recommendation that the Council adopt Resolution 19-01, a resolution naming the public place for posting notices of Council Meetings, Commissions, and Committees for the Town of Frisco, Colorado in compliance with the Colorado Sunshine Act of 1972.

**TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
RESOLUTION 19-01**

A RESOLUTION NAMING THE PUBLIC PLACE FOR POSTING NOTICES OF COUNCIL MEETINGS , COMMISSIONS, AND COMMITTEES FOR THE TOWN OF FRISCO, COLORADO IN COMPLIANCE WITH THE COLORADO SUNSHINE ACT OF 1972.

WHEREAS, Section 24-6-402 CRS requires a public body to annually designate the public place for posting timely notice of public meetings at the Council's first regular meeting each calendar year; and

WHEREAS, the Frisco Town Hall, One Main Street, has two bulletin boards in locations which are open to the public during day and evening hours; and

WHEREAS, the Frisco Post Office, 0035 West Main Street, Frisco Colorado, has a bulletin board in a location which is open to the public during the day and evening hours;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO COLORADO THAT:

The bulletin board outside the east vestibule at Frisco Town Hall, One Main Street, and the Frisco Post Office, 0035 West Main Street, Frisco, Colorado are hereby designated as the public places for the posting of notices for special meetings of the Frisco Town Council for the year 2019. The bulletin board in the south vestibule at Frisco Town Hall, One Main Street is hereby designated as the public place for the posting of the Town Council, Commissions, and Committee Agendas.

INTRODUCED, READ, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO THIS 8th DAY OF JANUARY, 2019.

TOWN OF FRISCO:

Gary Wilkinson, Mayor

ATTEST:

Deborah Wohlmuth, CMC
Town Clerk



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: DEBORAH WOHLMUTH, TOWN CLERK
RE: RESOLUTION 19-02, NOTICE OF OFFICIAL PUBLICATIONS
DATE: JANUARY 8, 2019

Background: Section 14-9 of Frisco's Home Rule Charter provides that exclusive management and control of designating official publications to be used for the official advertising of the Town shall be vested in the Town Clerk. This designation shall be affirmed by resolution by the Town Council at the first meeting of the year. The Charter also states that the manner of publication may include print, electronic, and other media as appropriate to comply with applicable law and meet the publication needs of the Town.

Analysis: For continuity purposes, I recommend utilizing a newspaper of general circulation and the Town of Frisco web site, www.friscogov.com as the official publications of the Town. As in years past, I also recommend publishing ordinances and/or notices required by the Town Charter to be published in full on the Town's web site and shall be published by title-only in a newspaper of general circulation.

Staff Recommendation: On that basis, it is my recommendation that the Council adopt Resolution 19-02, a resolution acknowledging that the Town Clerk has designated a newspaper of general circulation and the Town of Frisco web site as the official publications of the Town and determined that ordinances and/or notices required by the Town's Home Rule Charter to be published in full on the Town's web site and shall be published by title only in a newspaper of general circulation.

**TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
RESOLUTION 19-02**

A RESOLUTION AFFIRMING THE TOWN CLERK'S DESIGNATION OF OFFICIAL PUBLICATIONS.

WHEREAS, Section 14-9 of the Home Rule Charter of the Town of Frisco (the "Charter") provides that exclusive management and control of the designation of official publications to be used for the official advertising of the Town shall be vested in the Town Clerk, which designation shall be made annually and affirmed by resolution of the Town Council; and

WHEREAS, the Town Clerk has determined that the cost of publication in local newspapers has created a need for the identification of alternative means of official publication of ordinances and/or notices of public hearing, including electronic media; and

WHEREAS, the Town Clerk has designated a newspaper of general circulation and the Town of Frisco web site as the official publications of the Town of Frisco and has determined that ordinances and/or notices required by the Charter to be published in full in an official publication shall be published in full on the Town's web site and shall be published by title only in a newspaper of general circulation.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO THAT:

Section 1. The Town Clerk's designation of a newspaper of general circulation and the Town of Frisco web site, www.friscogov.com, as the official publications of the Town pursuant to Section 14-9 of the Charter is hereby affirmed.

Section 2. The Town Clerk's determination that ordinances and/or notices required by the Charter to be published in full in an official publication shall be published in full on the Town's web site and shall be published by title only in a newspaper of general circulation, is hereby affirmed.

Section 3. This Resolution shall take effect immediately upon adoption.

INTRODUCED, READ, AND ADOPTED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO THIS 8th DAY OF JANUARY, 2019.

TOWN OF FRISCO, COLORADO

Gary Wilkinson, Mayor

ATTEST:

Deborah Wohlmuth, CMC
Town Clerk



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: VANESSA AGEE, MARKETING AND COMMUNICATIONS DIRECTOR AND NORA GILBERTSON, EVENTS MANAGER
RE: 2019 NO PET EVENT STRATEGIES
DATE: JANUARY 8, 2019

Background: Frisco's largest summer event is the Colorado BBQ Challenge (June 13-15, 2019). This event has historically been designated a no pet event due to the nature of the event, which is centered around food and beverage and the often busy and hot environment, which is not appropriate for pets. During discussions with Town Council in January 2018, Council charged staff with reducing the amount of dogs at the Frisco BBQ Challenge. In March 2018, Town Council approved an increase of security staff from 7 to 24 staff over the 6 block BBQ event site. This was done not only to reduce the amount of dogs at the event, but to also improve event security.

There appeared to be no noticeable decrease in the presence of dogs at the BBQ Challenge in 2018, and there were no tickets issued for violating the no pet regulations, likely due to the confusing guidelines around allowing pets on sidewalks during the event. Staff feels that residents of Main Street overwhelmingly have entrances not on Main Street so this prohibition would not cause a hardship.

Proposed Strategies for 2019: After recapping the event with the Frisco Police Department and the security company, a few common recommendations emerged.

1. Continue to staff security at the levels approved in 2018
2. No longer allow pets on sidewalks in the event closure area and issue letters of permission to dog owners on Main Street who can only access their residential units from Main Street
3. No longer allow pets in the Frisco Historic Park or on side avenues, which are utilized for the event
4. Continue to train staff on ADA assistance dog regulations and the two allowable questions

From ADA.gov- "(1) Is the dog a service animal required because of a disability? and (2) what work or task has the dog been trained to perform? Staff are not allowed to request any documentation for the dog, require that the dog demonstrate its task, or inquire about the nature of the person's disability."

5. Frisco Police Department to ticket pet owners who do not comply

Council Direction: Would Council recommend the described strategies, especially no longer allowing pets on sidewalks in the event closure area and ticketing pet owners?

**TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
RESOLUTION 19-03**

A RESOLUTION TO ESTABLISH A SPECIAL EVENT PET POLICY TO DESIGNATE WHICH 2019 TOWN OF FRISCO SPECIAL EVENTS WILL PROHIBIT PETS WITHIN EVENT VENUES.

WHEREAS, the Town Council wants to inform citizens and visitors, in the interest of their safety and the safety of their pets, which Town events do not allow pets; and

WHEREAS, the Town Council emphasizes that dogs assisting handicapped persons will be allowed at all Town special events, even those prohibiting pets; and

WHEREAS, the Town Council has directed the Police Department staff on which events will prohibit pets within the event venues; and

WHEREAS, the Police Department will enforce the event pet policies by issuing warnings, asking patrons with pets to leave the premises when pets are prohibited and issuing citations for repeat offenders;

NOW THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO, THAT:

THE FOLLOWING 2019 TOWN SPECIAL EVENTS WILL **NOT** ALLOW PETS:

- **Frisco Nordic Center Races and Events** – Up and At Em’ Nordic Races (January 9, 2019, January 23, 2019, February 6, 2019 & February 20, 2019), Frisco Gold Rush and Eat, Ski & Be Merry (February 9, 2019), Frisco Freeze (February 23, 2019), Snowshoe for the Cure (March 2, 2019) and Frisco BrewSki (March 9, 2019)
- **Run the Rockies Road Race** – June 1, 2019 (not allowed in the race, but allowed at the start and finish)
- **Colorado Barbecue Challenge** – June 13-15, 2019
- **Bacon Burner 6k** – June 15, 2019
- **Mountain Goat Kids’ Trail Running Series**- June 18, July 2, July 16 and July 30, 2019 (not allowed in the race, but allowed at the start and finish)
- **Frisco Triathlon** – July 13, 2019 (not allowed in the race, but allowed at the start and finish)
- **Run the Rockies Trail Race** – August 10, 2019 (not allowed in the race, but allowed at the start and finish)

At this time, all other 2019 Town of Frisco special events will allow pets on leashes as long as they are under control by an attending person at all times.

INTRODUCED, READ AND ADOPTED THIS 8th DAY OF JANUARY, 2019.

TOWN OF FRISCO:

Gary Wilkinson, Mayor

ATTEST:

Deborah Wohlmuth, Town Clerk

**TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
RESOLUTION 19-04**

A RESOLUTION ESTABLISHING STREET CLOSURES FOR 2019 EVENTS

WHEREAS, the Town Council wants to provide a venue for annual special events that attract visitors and provide quality experiences for citizens and;

WHEREAS, the Town Council realizes the effectiveness and uniqueness of Main Street as a site for major special events and;

WHEREAS, the Town Council has approved the 2018 events budget which involves the closure of Main Street and;

WHEREAS, the Public Works and Police Departments will work with the Special Events Department to close the streets, maintain safe detour routes, and manage traffic flow;

NOW THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO, THAT:

These 2019 events will require the following closures of Main Street and surrounding streets:

- **Mardi Gras for Paws** – March 2, 2019: 3rd Ave. from Main St. to Alley
- **Easter Egg Hunt** – April 21, 2019: Main St. from Madison Ave. to 2nd Ave.
- **Town Clean Up Day** – May 18, 2019: Main St. from 1st Ave. to 2nd Ave.
- **Run the Rockies** – June 1, 2019: Main St. from Madison Ave. to 2nd Ave.
- **Colorado Barbecue Challenge** – June 13-15, 2019: Main St. from Madison Ave. to 7th Ave.; with Avenue/ side street closures dependent on event and business needs
- **July 4 Parade and Concerts** – July 4, 2019: Main St. from Madison Ave. to 7th Ave.
- **Concerts in the Park** – June 20, June 27, July 11, July 18, July 25, August 1, August 8, August 15 and August 22, 2019: Main St. from 1st Ave to 2nd Ave.
- **Canine 4K** – August 3, 2019: Main St. from Madison Ave. to 2nd Ave.
- **Art on Main** – August 10-11, 2019: Main St. from 3rd Ave. to 7th Ave.
- **Fall Fest** – September 7, 2019: Main St. from 1st Ave. to 2nd Ave.
- **Trick or Treat Street** – October 31, 2019: Main St. from Madison Ave. to 7th Ave.
- **Turkey Day 5k**– November 28, 2019: 3rd Avenue from Granite St. to Teller St.
- **Wassail Days lighting**- November 30, 2019: Main St. from 1st Ave. to 2nd Ave. and 2nd Ave. from Main St. to Granite St.

INTRODUCED, READ AND ADOPTED THIS 8TH DAY OF JANUARY, 2019.

TOWN OF FRISCO:

Gary Wilkinson, Mayor

ATTEST:

Deborah Wohlmuth, Town Clerk



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: BONNIE MOINET, FINANCE DIRECTOR
RE: REIMBURSEMENT RESOLUTION FOR MARINA PARK MASTER PLAN PROJECTS
DATE: JANUARY 8, 2019

Summary Statement: In order for the Town to begin projects identified in the 2018 Marina Park Master Plan, it is possible that the Town may incur costs associated with the projects prior to execution of all the bonding documents; in that case, the Town would pay for those costs and request reimbursement from the bond proceeds. This resolution allows for such reimbursements.

Background: The Town Council currently intends and reasonably expects to participate in a tax-exempt financing that will include an amount which is currently estimated not to exceed \$6,000,000 to reimburse the Town for all or a portion of such expenditures paid or to be paid from legally available funds subsequent to a period commencing 60 days prior to the date hereof and ending prior to the later of 18 months of the date such expenditures are paid or the date upon which the Project is placed in service (but in no event more than three years after the date of the original expenditure of such moneys).

While staff is not aware of any immediate needs, this resolution facilitates the Town's ability to pay its vendors in a timely manner.

Staff Recommendation: On that basis, it is my recommendation that the Council approve the attached Reimbursement Resolution to enable the Town to pay any project costs related to the Marina Park Master Plan prior to execution of bond documents and request reimbursement from bond proceeds after all bond documents have been fully executed.

**TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
RESOLUTION 19-06**

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO, ACTING BY AND THROUGH ITS MARINA ENTERPRISE, DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF WITH THE PROCEEDS OF A TAX-EXEMPT FINANCING FOR CERTAIN EXPENDITURES UNDERTAKEN OR TO BE UNDERTAKEN BY THE TOWN OR ON BEHALF OF THE TOWN; IDENTIFYING SUCH EXPENDITURES; AND PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Town of Frisco, Colorado, acting by and through its Marina Enterprise (the "Town") is a home rule municipality duly organized and existing pursuant to the home-rule charter of the Town (the "Charter") and Article XX of the Constitution (the "Constitution") of the State of Colorado (the "State"); and

WHEREAS, the Town Council of the Town (the "Town Council") is the governing body of the Town and the Town's Marina Enterprise (the "Enterprise"); and

WHEREAS, the Town Council has determined that it is in the best interest of the Town to make certain expenditures relating to the construction of capital improvements to the Frisco Bay Marina (the "Marina") facilities operated by the Enterprise, including dredging the Marina and other capital improvements to Marina facilities (collectively, the "Project"); and

WHEREAS, the Town Council currently intends and reasonably expects to participate in a tax-exempt financing that will include an amount which is currently estimated not to exceed \$6,000,000 to reimburse the Town for all or a portion of such expenditures paid or to be paid from legally available funds subsequent to a period commencing 60 days prior to the date hereof and ending prior to the later of 18 months of the date such expenditures are paid or the date upon which the Project is placed in service (but in no event more than three years after the date of the original expenditure of such moneys); and

WHEREAS, the Town Council hereby desires to declare its official intent, pursuant to 26 C.F.R. § 1.150-2, to reimburse the Town for such expenditures with the proceeds of a tax-exempt financing.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO:

Section 1. Declaration of Official Intent. The Town shall, presently intends, and reasonably expects to finance a portion of the Project with legally available funds.

Section 2. Dates of Expenditures. All of the expenditures covered by this Resolution were or will be paid on and after the date which is 60 days prior to the effective date of this Resolution.

Section 3. Tax-Exempt Financing. The Town presently intends and reasonably expects to participate in a tax-exempt financing within 18 months of the date of the expenditure of moneys on the Project or the date upon which the Project is placed in service, whichever is later (but in no event more than three years after the date of the original expenditure of such moneys), and

to allocate from such financing an amount not to exceed amounts advanced for the Project from legally available funds to reimburse the Town.

Section 4. Confirmation of Prior Acts. All prior acts and doings of the officials, agents and employees of the Town which are in conformity with the purpose and intent of this Resolution, and in furtherance of the Project, shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its passage.

ADOPTED AND APPROVED by the Town Council of the Town of Frisco, Colorado on January 8, 2019.

[SEAL]

TOWN OF FRISCO, COLORADO

By _____
Gary Wilkinson
Mayor

Attest:

By _____
Deborah Wohlmuth
Town Clerk

TOWN MANAGER EMPLOYMENT AGREEMENT

THIS TOWN MANAGER EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into this 8th day of January, 2019, by and between the TOWN OF FRISCO, COLORADO, a home rule municipality, hereinafter called the "Town," and Nancy Kerry, hereinafter called "Manager."

WITNESSETH:

WHEREAS, the Town desires to employ the services of Manager as Town Manager of the Town of Frisco, Colorado as provided by the Frisco Charter; and

WHEREAS, it is the desire of the Town to provide certain benefits, establish certain conditions of employment and to set working conditions of Manager; and

WHEREAS, Manager desires to accept employment as Town Manager of the Town of Frisco.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants herein contained, the parties agree as follows:

1.0 Employment and Duties.

1.1 Town hereby agrees to employ Manager, and Manager hereby accepts employment, as Town Manager of the Town of Frisco, to perform the functions and duties specified in the Charter of the Town of Frisco and to perform such other legal and proper duties and functions as the Town Council shall assign.

1.2 The parties agree that the terms of this Agreement do not supersede the provisions of the Home Rule Charter of the Town of Frisco, and to the extent they do conflict with the Home Rule Charter, the Home Rule Charter shall prevail. The parties also agree that to the extent this Agreement is in conflict with the provisions of the Frisco Town Code or Personnel Code, this Agreement shall prevail.

1.3 The Town Manager shall have the authority and responsibility to carry out the duties of the position as generally described in the Home Rule Charter of the Town of Frisco, Title VII, Town Administration. The Town Manager shall keep the Mayor and Town Council informed of proposed changes to organizational operations.

2.0 Termination of Employment Agreement and Term of this Agreement.

2.1 The term of this Agreement shall commence as of January 28, 2019, and shall continue for an indefinite period, Manager to hold office at the pleasure of a majority of the Town Council, until this Agreement is terminated as provided herein or by mutual agreement of the parties.

2.2 Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Town Council to terminate the services of Manager at any time and for any reason, subject only to the provisions set forth in § 3.0, paragraphs 3.1 and 3.3 of this Agreement.

2.4 Nothing in this Agreement shall prevent, limit or otherwise interfere with Manager's right to resign at any time, subject only to the provisions set forth in § 3.0, paragraph 3.4 of this Agreement.

3.0 Termination and Severance Pay.

3.1 If the Manager's employment is terminated by the Town Council within the first 365 days of the Manager's employment, and such termination is during such time as Manager is willing and able to perform the duties of the Town Manager, then in that event the Town agrees to continue payment of salary and all benefits hereunder and pursuant to the Personnel Code for a period of three (3) months from the effective date of termination. In the event that the Manager's employment is terminated by the Town Council after the Manager has been employed for 365 days, and such termination is during such time as Manager is willing and able to perform the duties of the Town Manager, then in that event the Town agrees to continue payment of salary and all benefits hereunder and pursuant to the Personnel Code for a period of six (6) months from the effective date of termination. Any provision of this paragraph 3.1 notwithstanding, in the event that Manager is terminated for Cause, the Town shall have no obligation for severance benefits or pay as described herein. As used herein, "Cause" shall mean (a) conduct by Manager that is fraudulent or dishonest, (b) Manager's conviction or no-contest plea of any felony or crime involving moral turpitude under any federal or state law, or (c) failure by Manager in any material way to fulfill or comply with her obligations under this Agreement.

3.2 Acceptance of severance pay and benefits as described in paragraph 3.1 by Manager shall constitute a release in full by Manager of any and all claims Manager may have against the Town Council of the Town of Frisco, the individual members of the Town Council of the Town of Frisco acting in their official capacity, and the Town of Frisco, as a result of the termination of her employment.

3.3 In the event the Town at any time during the employment term reduces the salary or other financial benefits of Manager in a greater percentage than an applicable across the board reduction for all employees of the Town, or in the event that the Town refuses, following written notice, to comply with any other provision benefiting Manager herein, or Manager resigns following a suggestion, whether formal or informal, by the Town Council that she resign, then, in that event, Manager may at her option, be deemed to be terminated without Cause as of the date of such reduction or event.

3.4 In the event Manager wishes to resign her position with the Town and remain in good standing, Manager shall give the Town 45 days written notice in advance, unless the parties otherwise agree.

3.5 In the event that Manager does not comply with the residency requirement as set forth in the Town Charter and § 14.0 of this Agreement, Manager shall be deemed to be terminated with Cause and the terms of § 14.0 and its paragraphs shall apply.

3.6 Manager's employment may be terminated sixty days after Manager becomes totally and permanently disabled. As used herein, "totally and permanently disabled" shall be defined as: (a) if Manager is receiving total permanent disability payments pursuant to any disability program under which she is covered, whether owned by the Town or otherwise; or (b) in the absence of such disability program, if (i) Manager's attending physician certifies that Manager is unable to perform her duties as set forth herein for the Town and that such condition is total and permanent; or (ii) in the event that Manager does not timely consult such attending physician and the Town reasonably believes Manager to be so disabled, the Town may obtain such examination from a properly qualified physician who shall conduct such examinations as are appropriate to determine whether or not Manager is so totally and permanently disabled. If Manager is terminated because she is totally and permanently disabled due to an event occurring within the scope of her employment, she shall be entitled to severance pay as provided in paragraph 3.1. If Manager is terminated because she is totally and permanently disabled due to an event occurring outside the scope of her employment, she shall receive no severance benefits or pay.

4.0 Salary.

4.1 Town agrees to pay Manager for her services rendered pursuant hereto an annual base salary of One Hundred Forty-Five Thousand Dollars (\$145,000.00), payable in installments at the same time as other employees of the Town are paid.

4.2 The Town agrees to consider increases to Manager's annual base salary and/or other benefits in such amounts and to such extent as the Town Council, in its sole discretion, may determine to be desirable on the basis of an annual salary review of Manager. Such review shall occur contemporaneously with Manager's performance review. Manager will neither be guaranteed nor limited by any market-adjusted salary increases given to other Town employees. Any part of the foregoing notwithstanding, Manager's first performance review shall occur in July of 2019, and each subsequent such review shall include a salary review and shall occur in January of each calendar year thereafter.

5.0 Full-time Employment and Hours of Work.

5.1 It is recognized and understood that Manager must devote additional time outside normal office hours to the business of the Town, and therefore Manager will be allowed to take compensatory time off as she shall deem appropriate provided, however, that such compensatory time shall not adversely affect Manager's job performance or Town activities. No monetary compensation shall be made to Manager for accrued and unused compensatory time.

5.2 Manager shall not engage in any non-Town employment activities for compensation without the express written consent of the Town Council. It is the intent of the parties that this Agreement is for full-time employment. Participation in professional

organizations and voluntary programs are encouraged provided they are consistent with the responsibilities of the Town Manager for the Town.

6.0 Benefits.

6.1 Except as provided or specifically addressed in this Agreement, Manager shall receive the benefits granted all regular, full-time employees, subject to any limitations or restrictions thereon applicable to all regular, full-time employees, including by illustration only, health, dental, vision, long term disability and life insurance; retirement; sick leave; annual and holiday leave; and other group benefit programs extended to employees for their voluntary participation.

6.2 Manager will be entitled to accrue and use annual leave in accordance with the Town's Personnel Code, provided, however, that: (i) there shall be added, effective as of the first day of Manager's employment, an additional base of five (5) days of vacation leave time to the vacation leave time that the Manager will earn in accordance with the Town's Personnel Code; and (ii) as of the first day of Manager's employment, Manager shall accrue vacation time as if she had been employed by the Town for five (5) years. Notwithstanding the foregoing, at no time shall the total combined annual vacation leave time to which Manager is entitled exceed the allowed maximum for such time set forth in the Town's Personnel Code.

6.3 As of the first day of Manager's employment, the Town shall match Manager's contributions into the Town's retirement plan as if the Manager had been employed by the Town for five (5) years (which is a matching contribution of up to 7% of salary).

7.0 Automobile and Cellular Telephone.

The Town will provide a Town vehicle to Manager, with take home privileges, for business use within or outside of Summit County, and for personal use only within the State of Colorado. The Town will provide a cellular telephone to the Manager for Town business, with both voice and data services under the Town's plan.

8.0 Manager's Housing and Moving Assistance.

8.1 The Town shall pay up to Five Thousand Dollars (\$5,000.00) to Manager to assist in her actual expenses of moving to the Town.

8.2 The parties recognize that housing costs in the Town of Frisco significantly exceed those in most other places in Colorado and the nation. Accordingly, the Town agrees that, during the term of this Agreement, it shall provide to the Manager, pursuant to its standard form of employee housing lease, the residence located at 760 Pitkin Street, Frisco, Colorado, free of charge for rent. Manager agrees that, during the term of this Agreement, she shall lease from the Town, pursuant to the Town's standard form of employee housing lease, the residence located at 760 Pitkin Street, Frisco, Colorado, free of charge for rent. Any provision of the Town's standard form of housing lease

notwithstanding, such lease shall terminate forty-five (45) days after the effective date of the Manager's separation from employment with the Town, whether that separation is the result of Manager's resignation, termination (with or without cause), or otherwise.

9.0 Professional Development.

9.1 As limited by the budget and in the sole discretion of the Town Council from time to time, the Town agrees to pay registration, reasonable travel and subsistence expenses for Manager for professional official travel, meetings and occasions adequate to continue Manager's professional development and to attend necessary official and other functions for the Town, including, without limitation, the annual conference and annual membership dues of the International City Management Association, the Colorado Municipal League, the Colorado City and County Managers Association, and other national, regional, state and local government groups and committees of which Manager or the Town is member.

9.2 As limited by the budget and in the sole discretion of the Town Council from time to time, the Town agrees to pay for Manager's reasonable tuition, travel and subsistence for short courses, institutes and seminars that are necessary for Manager's professional development and which are in the best interests of the Town.

9.3 As limited by the budget and in the sole discretion of the Town Council from time to time, the Town agrees to pay Manager's reasonable professional dues and subscriptions that are necessary for her continuation and full participation in national, regional, state and local associations and organizations and that are necessary and desirable for her continued professional participation, growth and advancement and which are in the best interests of the Town.

10.0 Expenses.

Manager may be required as a condition of employment to incur reasonable and necessary expenses in connection with her duties hereunder. Manager shall be reimbursed by the Town in accordance with the Town's expense reimbursement policy.

11.0 Indemnification.

Town shall defend, save harmless, and indemnify Manager against any tort, professional liability claim, or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Manager's duties as Town Manager; provided, however, that this indemnification shall not apply to intentional torts, including but not limited to matters such as assault. Town will compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon.

12.0 Evaluation.

The Town Council shall, in accordance with the schedule set forth in section 4.2 above, review and evaluate the performance of Manager at least annually; beginning with an initial goal-setting, a six-month evaluation in July of 2019, a first annual evaluation in January of 2020, and thereafter in January of each year. Such review and evaluation shall be for the purpose of setting the Manager's annual work plan and evaluating Manager's performance and compensation. Such review and evaluation shall be in accordance with specific goals, criteria and performance objectives developed jointly by the Town Council and Manager, which they deem necessary to achieve the Town Council's policy objectives, and shall establish the relative priority among the various goals and objectives. These overall performance criteria may be added to or revised by the Town Council periodically, in consultation with Manager. The Town Council shall provide an opportunity for discussion of the results of the evaluation with Manager.

13.0 Other Terms and Conditions of Employment.

The Town Council, in consultation with Manager, may fix any such other terms and conditions of employment, as it may determine from time to time, relating to Manager's performance, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Town Charter or Code, or any other law.

14.0 Residency Requirement.

14.1 As set forth in § 7-1(b) of the Frisco Charter, and as a condition of continued employment with the Town of Frisco, Manager shall establish her permanent domicile and residency within the corporate limits of the Town of Frisco. "Permanent residency and domicile within the corporate limits of the Town of Frisco" shall mean that Manager maintains her personal and physical presence at a dwelling place within the Town of Frisco and intends that such dwelling place shall be her fixed and permanent home. The Town Council reserves the right to approve or disapprove a residence outside of the town limits but within a reasonable distance thereof. Any such approval of an alternative residence shall be by ordinance as required by Charter § 7-1(b).

14.2 In the event that Manager fails to establish and maintain her permanent domicile and residency as set forth herein, and throughout the term of this Agreement, then Manager shall be immediately terminated with Cause from employment with the Town and this Agreement shall be void. Notwithstanding any provision of this Agreement to the contrary, Manager shall not be entitled to and shall not receive from the Town any benefit of any kind or monetary payment of salary upon termination in accordance with this paragraph 14.2.

15.0 Compliance with Colorado Constitution Article X, Section 20.

It is the intent of the Town and Manager to comply with the provisions of Article X, Section 20 of the Constitution of the State of Colorado, including in particular subsection 4(b), as approved by the voters on November 3, 1992. Therefore, the parties agree that this Agreement is subject to an annual appropriation by the Town Council and that the failure to make such

appropriation, unless such action is the result of a prior termination for Cause pursuant to paragraph 3.1 hereof, will be deemed a termination without Cause. The parties further agree and acknowledge that the Town has established an adequate present cash reserve pledged irrevocably and held for future payments, if required, in an amount sufficient to pay any severance compensation required under paragraph 3.1 of this Agreement.

16.0 General Provisions.

16.1 The text herein shall constitute the entire agreement between the parties. This Agreement may be amended only in writing, executed and approved by both parties.

16.2 The rights and obligations of the Town under this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Town. Manager shall not assign or otherwise convey any of her rights and obligations hereunder without the express written permission of the Town, which permission may be withheld in the Town's sole and absolute discretion.

16.3 If any provision, or any portion thereof, contained in this Agreement is held to be unconstitutional, invalid, unenforceable or void, the remainder of this Agreement, or any portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

IN WITNESS WHEREOF the Town of Frisco, Colorado has caused this Agreement to be signed and executed on its behalf by its Mayor, and duly attested by its Town Clerk, and Manager has signed and executed this Agreement, both in duplicate, the date and year first above written.

TOWN OF FRISCO

Gary Wilkinson, Mayor

ATTEST:

Deborah Wolhmuth, CMC, Town Clerk

Nancy Kerry, Manager

CONTRACT FOR GOODS AND/OR SERVICES

THIS AGREEMENT ("Agreement"), made to be effective as of the 2nd day of January, 2019, between the Town of Frisco, a Colorado home rule municipal corporation, hereinafter referred to as "FRISCO" and HBL Consulting, Inc., a Colorado Corporation, as an independent contractor, hereinafter referred to as "CONSULTANT," provides as follows:

ARTICLE I SCOPE OF SERVICES

Section 1.1 Services: CONSULTANT agrees to perform the work, personal services and/or furnish the necessary equipment, supplies or materials in accordance with and/or as described in Exhibit A, hereinafter referred to as the "Project." Exhibit A is hereby incorporated by reference and made a part of this Agreement.

Section 1.2 Scope of Services: FRISCO agrees to retain CONSULTANT to complete the Project. CONSULTANT shall commence work upon direction to proceed and complete the Project on or before December 31, 2017, at which time this Agreement shall terminate. Additional services beyond those listed in Exhibit A, if requested, shall be provided only when authorized in writing by FRISCO.

Section 1.3 Independent Contractor: CONSULTANT shall at all times control the means and manner by which CONSULTANT, its employees, subcontractors and agents perform the work, subject to FRISCO's right to monitor, evaluate and improve such work. CONSULTANT, its employees, subcontractors and agents shall at all times be and act as an independent contractor and not as an employee of FRISCO.

Section 1.4 Warranty of CONSULTANT: CONSULTANT warrants that title to all services, materials and equipment covered and paid for under this Agreement will pass to FRISCO either by incorporation in the Project or upon the receipt of payment by CONSULTANT, whichever occurs first, free and clear of all liens, claims, security interests or encumbrances; and that no services, materials or equipment paid for under this Agreement will have been acquired by CONSULTANT, or by any other person performing services at the site or furnishing materials and equipment for the Project, subject to an agreement under which an interest therein or an encumbrance thereon is retained by the seller or otherwise imposed by CONSULTANT or such other person.

ARTICLE II ADMINISTRATION OF THIS AGREEMENT

Section 2.1 Project Performance: In consideration of the compensation provided for in this Agreement, CONSULTANT agrees to perform or supply the Project, in accordance with generally accepted standards and practices of the industry, and warrants all materials incorporated in the Project to be free from defect of material or workmanship and conform strictly to the specifications, drawings or samples specified or furnished. This Section 2.1 shall survive any inspection, delivery, acceptance or payment by FRISCO.

Section 2.2 Oversight: All of the work associated with the Project shall be performed under the direction of Deborah Wohlmuth, Town Clerk; it is expressly understood and agreed that some of the work may have commenced prior to the formal execution of this Agreement, in which event such work is incorporated into the Project and is deemed to have been and is authorized by this Agreement.

Section 2.3 Ownership and Use of Documents:

(a) Any documents prepared by CONSULTANT, and copies thereof furnished to other parties, are for use solely with respect to this Project. They are not to be used by any other consultant or sub-consultant on other projects or for additions to this Project outside the scope of the work without the specific written consent of FRISCO. Other contractors and subcontractors are authorized to use and reproduce applicable portions of the documents prepared by CONSULTANT appropriate to and for use in the execution of their work under this Agreement. All documents prepared by CONSULTANT in its performance of this Agreement shall be considered works for hire and any copyright associated with such documents shall be held by FRISCO. All copies made under this authorization shall bear the statutory copyright notice, as shall all documents prepared by CONSULTANT pursuant to this Agreement.

(b) CONSULTANT, and any subcontractor or supplier or other person or organization performing or furnishing any work for the Project under a direct or indirect contract with FRISCO (i) shall not have or acquire any title to or ownership rights in any of any documents (or copies of documents) prepared in connection with the Project by a design professional and (ii) shall not reuse any of such documents or copies for extensions of the Project or any other project without written consent of FRISCO and the design professional and specific written verification or adaption by the design professional.

(c) Notwithstanding the provisions of Sections 2.3 (a) and (b) above, FRISCO reserves the right to utilize any documents generated in connection with the Project by CONSULTANT for other projects, provided that CONSULTANT is not held liable for future project applications other than the Project described pursuant to this Agreement.

Section 2.4 Insurance:

(a) CONSULTANT agrees to procure and maintain, at its own cost, the following policy or policies of insurance sufficient to insure against all liability, claims, demands, and other obligations assumed by CONSULTANT under this Agreement or arising as a result of this Agreement. Such insurance shall be in addition to any other insurance requirements imposed by this Agreement or by law.

(b) Commercial General Liability insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE MILLION DOLLARS (\$1,000,000) aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage, personal injury (including coverage for contractual and employee acts), blanket contractual, independent contractors, and products. The policy shall name FRISCO, its employees and agents as additional insureds and shall include the

following provisions: (i) severability of interest; (ii) waiver of subrogation; and (iii) cross liability endorsement.

(c) Workers' Compensation insurance to cover obligations imposed by applicable laws for any employee engaged in the performance of work under this Agreement, and Employers' Liability insurance with minimum limits of SIX HUNDRED THOUSAND DOLLARS (\$600,000) each accident, SIX HUNDRED THOUSAND DOLLARS (\$600,000) disease - policy limit, and SIX HUNDRED THOUSAND DOLLARS (\$600,000) disease - each employee. Evidence of qualified self-insured status may be substituted for the Workers' Compensation requirements of this Section 2.4(c).

(d) Comprehensive Automobile Liability insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE MILLION DOLLARS (\$1,000,000) aggregate with respect to each of CONSULTANT'S owned, hired and non-owned vehicles assigned to or used in performance of the services. The policy shall contain a severability of interests provision. If CONSULTANT has no owned automobiles, the requirements of this Section 2.4 (d) shall be met by each employee of CONSULTANT providing services to FRISCO under this Agreement.

(e) The insurance policies required by Sections 2.4(b) and (d) shall name FRISCO, its employees and agents as additional insureds. No additional insured endorsement to a policy shall contain any exclusion for bodily injury or property damage arising from completed operations.

(f) Professional Liability Insurance in the minimum amount of ONE MILLION DOLLARS (\$1,000,000).

(g) Every policy required under this Section 2.4 shall be primary insurance, and any insurance carried by FRISCO, its officers, or its employees, or carried by or provided through any insurance pool of FRISCO, shall be excess and not contributory insurance to that provided by CONSULTANT. CONSULTANT shall be solely responsible for any deductible losses under any policy required above. Any insurance policy required under this Agreement shall be written by a responsible company.

(h) Prior to commencement of this Agreement, CONSULTANT shall provide FRISCO with a certificate of insurance completed by CONSULTANT'S insurer as evidence that policies providing the required coverage, conditions and minimum limits are in full force and effect. The certificate shall identify this Agreement and shall provide that the coverage afforded under the policies shall not be canceled, terminated or materially changed until at least thirty (30) days' prior written notice has been given to FRISCO. The completed certificate of insurance shall be sent to:

Town of Frisco
P.O. Box 4100
Frisco, Colorado 80443
Attn: Finance Director

(i) CONSULTANT shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to this Section 2.4 by reason of CONSULTANT'S failure to procure or maintain insurance, or by reason of its failure to procure or maintain insurance in sufficient amount, duration or type. Failure on the part of CONSULTANT to procure or maintain policies providing the required coverage, conditions and minimum limits shall constitute a material breach of contract upon which FRISCO may immediately terminate this Agreement, or at its discretion FRISCO may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by FRISCO shall be repaid by CONSULTANT to FRISCO upon demand, or FRISCO may withhold the cost of the premiums from any monies due to CONSULTANT from FRISCO.

(j) The parties hereto understand and agree that FRISCO is relying on, and does not waive or intend to waive by any provision of this Agreement, the monetary limitations (presently \$150,000 per person and \$600,000 per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101 *et seq.*, C.R.S., as from time to time amended, or otherwise available to FRISCO, its officers, or its employees.

Section 2.5 Indemnification:

(a) CONSULTANT shall indemnify and hold harmless FRISCO and its agents and employees from and against all claims, damages, losses and expenses, including but not limited to reasonable attorneys' fees, arising out of or resulting from this Agreement, provided that any such claim, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property including the loss of use resulting therefrom, and (2) is caused in whole or in part by any negligent act or omission of CONSULTANT, any subcontractor of CONSULTANT, anyone employed by any of them or anyone for whose acts any of them may be liable. Such obligation shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity that would otherwise exist as to any person described in this Section 2.5(a).

(b) In any and all claims against FRISCO or any of its agents or employees by any employee of CONSULTANT, any subcontractor of CONSULTANT, anyone employed by any of them or anyone for whose act any of them may be liable, the indemnification obligation under this Section 2.5 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for CONSULTANT or any subcontractor under worker's or workman's compensation actions, disability benefit acts or other employee benefit acts; provided, however, that if FRISCO is found to be wholly or partially responsible for any such claims, the indemnification obligation of CONSULTANT under this Section 2.5 shall be limited in proportion to the relative degrees of fault of FRISCO and CONSULTANT with respect to such claims..

(c) In the event it becomes necessary for any party to this Agreement to bring any action to enforce any provision of this Agreement or to recover any damages the other may incur as a result of the breach of this Agreement, including, but not limited to, defective work, the non-prevailing party shall pay the prevailing party's reasonable attorneys' fees as determined by the court.

Section 2.6 Subcontractor: CONSULTANT shall, as soon as practicable after the signing of this Agreement, notify FRISCO in writing for FRISCO's approval, of any subcontractors who may be involved in the Project and the general scope of work to be performed by each subcontractor.

Section 2.7 Termination of Agreement:

(a) This Agreement may be terminated by either party for any reason upon thirty (30) days' written notice. In the event of termination, FRISCO will pay CONSULTANT for all services performed to date of termination. If payment is otherwise due upon completion, FRISCO will pay CONSULTANT for the pro rata value of the completed portion of the Project that will be incorporated into the Project. FRISCO will require the release of all lien rights as a condition of such payment.

(b) Nothing herein shall constitute a multiple fiscal year obligation pursuant to Colorado Constitution Article X, Section 20. Notwithstanding any other provision of this Agreement, FRISCO's obligations under this Agreement are subject to annual appropriation by the Town Council of FRISCO. Any failure of a Town Council annually to appropriate adequate monies to finance FRISCO's obligations under this Agreement shall terminate this Agreement at such time as such then-existing appropriations are to be depleted. Notice shall be given promptly to CONSULTANT of any failure to appropriate such adequate monies.

Section 2.8 Binding Effect: FRISCO and CONSULTANT each bind itself, its successors and assigns to the other party to this Agreement with respect to all rights and obligations under this Agreement. Neither FRISCO nor CONSULTANT shall assign or transfer its interest in this Agreement without the written consent of the other, which consent may be withheld in the other party's sole and absolute discretion.

Section 2.9 Notice and Communications: Any notice to the parties required under this Agreement shall be in writing, delivered to the person designated below for the parties at the indicated address unless otherwise designated in writing. Only mailing by United States mail or hand-delivery shall be utilized. Facsimile and/or e-mail addresses are provided for convenience only.

FRISCO:

Town of Frisco
P.O. Box 4100
Frisco, CO 80443
Attn: Finance Director
FAX: (970) 668-0677

CONSULTANT:

HBL Consulting, Inc.
PO Box 506
Frisco, CO 80443
Attn: Joe Gajewski
TEL: (970) 401-0678

ARTICLE III
COMPENSATION FOR SERVICES

Section 3.1 Compensation: CONSULTANT shall be compensated for services as described in Exhibit B.

Section 3.2 Payment: FRISCO shall pay CONSULTANT monies due under this Agreement within thirty (30) days after invoice date, provided such amounts are not in dispute or the subject of setoff.

Section 3.3 Expenses: FRISCO shall not reimburse CONSULTANT for the cost of any expenses associated with this Agreement.

Section 3.4 FRISCO's Right to Withhold: Notwithstanding any other provision of this Agreement and without prejudice to any of FRISCO's rights or remedies, FRISCO shall have the right at any time or times, whether before or after approval of any pay request, to deduct and withhold from any payment that may be due under this Agreement such amount as may reasonably appear necessary to compensate FRISCO for any actual or prospective loss due to:

- (a) work that is defective, damaged, flawed, unsuitable, nonconforming or incomplete;
- (b) damage for which CONSULTANT is liable under this Agreement;
- (c) valid liens or claims of liens;
- (d) valid claims of subcontractors, suppliers or other person;
- (e) delay in the progress or completion of the Project;
- (f) inability of CONSULTANT to complete the Project;
- (g) reasonable doubt that the unpaid balance available under the Agreement is adequate to cover actual or liquidated damages, if any;
- (h) failure of CONSULTANT properly to complete or document any pay request;
- (i) any material and/or substantial failure of CONSULTANT to perform any of its obligations under this Agreement; or
- (j) the cost to FRISCO, including reasonable attorneys' fees and reasonable administrative expenses, for correcting any of the aforesaid matters or exercising any one or more of FRISCO's remedies.

ARTICLE IV
MISCELLANEOUS

Section 4.1 Colorado Law: This Agreement is to be governed by the laws of the State of Colorado.

Section 4.2 Amendments: This Agreement may only be amended, supplemented or modified in a written document signed by both parties.

Section 4.3 Counterparts: This Agreement may be executed in two or more counterparts, using manual or facsimile signature, each of which shall be deemed an original and all of which together shall constitute one and the same document.

Section 4.4 No Third Party Benefit: This Agreement is between FRISCO and CONTRACTOR and no other person or organization shall be entitled to enforce any of its provisions or have any right under this Agreement.

ARTICLE V
PROHIBITION ON EMPLOYING OR CONTRACTING WITH AN ILLEGAL ALIEN

Section 5.1 The CONSULTANT hereby certifies that at the time of executing this Agreement it does not knowingly employ or contract with an illegal alien who will perform work under this Agreement and that it will participate in either the E-Verify Program or Department Program as those terms are defined in C.R.S. §§ 8-17.5-101(3.7) and (3.3), respectively, (the "Programs") in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement.

Section 5.2 The CONSULTANT shall not knowingly employ or contract with an illegal alien to perform the work under this Agreement or enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement.

Section 5.3 The CONSULTANT has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

Section 5.4 The CONSULTANT is prohibited from using the Programs procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.

Section 5.5 If the CONSULTANT obtains actual knowledge that a subcontractor performing the work under this Agreement knowingly employs or contracts with an illegal alien, the CONSULTANT shall: (a) notify the subcontractor and the FRISCO within three (3) days that the CONSULTANT has actual knowledge that the subcontractor is knowingly employing or contracting with an illegal alien; and (b) terminate the subcontract with the subcontractor if within three (3) days of receiving the notice, required pursuant to C.R.S. § 8-17.5-102(2)(III)(A), the subcontractor does not stop employing or contracting with the illegal alien; except that the CONSULTANT shall not terminate the contract with the subcontractor if during such three (3) days the

subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

Section 5.6 The CONSULTANT shall comply with any reasonable request by the Colorado Department of Labor and Employment (the "Department") made in the course of an investigation that the Department is undertaking pursuant to the authority established in C.R.S. § 8-17.5-102(5).

Section 5.7 Any violation of the provisions of this paragraph shall be deemed to be a material breach of this Agreement and FRISCO may immediately terminate this Agreement for cause based on such violation. If this Agreement is so terminated, the CONSULTANT shall be liable for actual and consequential damages to FRISCO pursuant to C.R.S. § 8-17.5-102(3) and FRISCO shall notify the office of the Secretary of State of such violation/termination.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Agreement the day first written above.

FRISCO

By: _____
Name: _____
Title: _____

Attest:

Deborah Wohlmuth, Town Clerk

CONSULTANT

By: _____
Name: _____
Title: President

Exhibit A – Description and Scope of Services

Scope of Contract for Services

1 - PC Support

\$40 Monthly per Computer

- On-site support
- Setup and installation
- License management
- Unlimited telephone support
- Microsoft application support
- Inventory and asset management
- Microsoft security patch management
- Installation of hardware and software upgrades
- Routine desktop optimization and management
- Anti-virus monitoring, management, and updates
- Anti-Spyware monitoring, management, and updates

2 - Server Support

\$100 Monthly per Server

- On-site support
- License management
- Setup and installation
- Event log monitoring
- Data backup and monitoring
- User account administration
- Unlimited telephone support
- Microsoft application support
- Performance monitoring and tuning
- Microsoft security patch management
- Inventory and asset management
- File sharing permission administration
- Backup monitoring and administration
- Planning and design of server architecture
- Setup and configuration of server hardware
- Installation and configuration of server software
- Routine maintenance and patch management
- Anti-virus monitoring, management, and updates
- Installation of hardware and software upgrades
- Microsoft Exchange maintenance and administration
- Anti-Spyware monitoring, management, and updates

3 - Network Management and Support per Location

\$200 Monthly

- ISP liaison
- Purchasing
- VPN management
- Switch configuration
- Network documentation
- Anti-spam management
- Setup and installation of hardware
- Router configuration and monitoring
- Firewall configuration and monitoring
- Assistance with Business Continuity Planning
- Assistance with technology project research and proposals
- Assistance with creation of technology related policies and procedures

Exclusions from flat rate services:

- Electrical work
- Training is excluded from this agreement
- HBL Consulting, Inc. will charge the cost of any parts, hardware, or software required
- New installation of premise wiring, relocation of premise wiring, or removal of premise wiring
- Installation of shelving and racks for equipment
- Repairs and maintenance of equipment resulting from the actions of third party vendors not associated with HBL Consulting, Inc.
- Installations – new technology/rollout packages. Unless previously agreed upon, 5 or more units of hardware or software are considered installations/rollouts. (Examples: system wide installations of new printers, deployment of accounting software across more than 10 desktops, or networking a building or office.)
- After hours and emergency support. After-hours are defined as anytime after normal business hours and are charged at a premium rate to the Client.
- Projects not planned and approved by council or budgeted for the previous year will be deemed special projects and all work will be time and materials based as described in Exhibit B.
- Disaster recovery other than minor file restoration from system backups
- Server hardware, software, and phones associated with Cisco telephony. Basic support for these systems will be provided based on HBL Consulting, Inc. technician's discretion and knowledge level of the products.
- Extensive troubleshooting (anything more than several minutes) of printers and peripherals is not covered by our managed support agreement.
- Printers which require services other than basic troubleshooting must be serviced by authorized repair centers. HBL Consulting, Inc. will forward printers to authorized repair centers upon request. Any cost associated to these repairs will be charged to the printer owner. Normal HBL Consulting, Inc. charges may apply to the diagnosis and transport of printer.

Computer, Server and Network component setup

HBL Responsibilities:

- Unpack and connect computer components
- Configure operating systems for network connectivity
- Installation of operating system patches and updates
- Installation of approved applications
- Setup on-site and install printer drivers
- Install or configure routers, switches, or hubs

Town Responsibilities:

- Consultation with HBL should be made before any hardware purchases
- As much advance notice as possible should be made with HBL to schedule setup and installation
- The computer user may need to be present at certain points during the installation process
- Licenses and media for applications must be provided and readily available
- Town should provide storage space for new or old hardware and clear off space to make room necessary for installations

Maintenance of Supported Hardware

HBL Responsibilities:

- Monitor vendor and web resources for necessary patches
- Install necessary patches
- Update standard supported applications
- Monitor server and network equipment event logs and resources

Town Responsibilities:

- Employees should notify HBL of any problems they experience
- Purchase licenses for software

Application Support

HBL Responsibilities:

- Help with basic usage
- Install and update software
- Troubleshoot common problems
- Provide assistance with applications on a best-effort basis
- Support for advanced features and complex configurations if possible
- HBL will not perform job functions of the employees

Town Responsibilities:

- Manuals, online help systems and other training resources shall be utilized for the applications used frequently
- Licenses and media should be provided when required

Network Support

HBL Responsibilities:

- Assist with network planning and ordering
- Install and configure routers and switches
- Troubleshoot network connectivity problems
- Act as liaison with vendors, when appropriate, for problem resolution and recommendations of a technical nature

Town Responsibilities:

- Notify HBL regarding problems
- Contact HBL prior to installing networking equipment
- Notify HBL if another vendor installs or makes changes to equipment

Exhibit B – Compensation Schedule

Discounted Rate Structure for time and material based services:

Standard Rate: \$100 per/hr.
8:01 a.m. to 6:00 p.m.

Overtime Rate: \$120.00 per/hr.
6:01 a.m. to 8:00 a.m. and 6:01
p.m. to 12:01a.m.

Overtime Rate: \$150.00 per/hr.
12:01 a.m. to 6:00 a.m.

Flat-rate Services Rate Schedule:

\$40	Monthly per PC	x 122 PCs	= \$4880
\$100	Monthly per Server	X 16 Servers	= \$1600
\$200	Monthly Network Management per Office	x 8 Offices	= \$ 1600
			Monthly Total = \$ 8080

*Restrictions:

- Any items not specifically included in flat- rate services (Exhibit A, Items 1, 2 and 3) will be billed on a time and materials basis.
- Flat-rate services (Exhibit A, Items 1, 2 and 3) are to be performed between the hours of 8:01 am and 6:00 pm.
- If work is requested on flat-rate services (Exhibit A, Items 1, 2 and 3) outside of the standard rate hours an additional surcharge at the discounted hourly rate will be assessed between the hours of 6:01pm to 8:00 am.
- Contract for services does not include the cost of materials, equipment, and hardware.
- Contract for services does not include support for equipment located off of Town of Frisco property or personal hardware and software.
- Please see the scope and description of services in Exhibit A for additional details



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: DEBORAH WOHLMUTH, TOWN CLERK
RE: NEW RETAIL HOTEL AND RESTAURANT LIQUOR LICENSE – CARLOS MEXICAN BAR AND GRILL LLC DBA CARLOS MEXICAN BAR AND GRILL
DATE: JANUARY 8, 2019

Background: As prescribed in State Statute, all new liquor license applications must be first submitted to the local licensing authority for approval. Supporting documentation as outlined on State form DR 8404 must accompany the application to begin the hearing process requirements. The preliminary findings have been included in this report to support proof of a completed application.

Analysis: This application is for a new Hotel and Restaurant liquor license for Carlos Mexican Bar and Grill LLC dba Carlos Mexican Bar and Grill located at 857 North Summit Boulevard. Applicant Gina Sedano has filed the necessary paperwork and posted the premise in accordance with the Colorado Liquor Code. Further, notice of this application was published in a newspaper of general circulation on December 28, 2018 pursuant to statutory requirements. IdentoGO has performed the necessary fingerprinting and background checks for Ms. Sedano and has found them to be satisfactory. Criminal history reports of the Colorado Bureau of Investigation and Federal Bureau of Investigation are pending.

Staff Recommendation: On that basis, it is my

RECOMMENDATION

that the Council make a motion approving the issuance of a new Hotel and Restaurant liquor license for Carlos Mexican Bar and Grill LLC dba Carlos Mexican Bar and Grill located at 857 North Summit Boulevard, on the basis of the following findings: that the Authority (1) has reviewed the neighborhood under consideration and finds it to be the Town of Frisco as a whole; (2) has considered the desires of the inhabitants of the neighborhood and finds that the inhabitants desire an additional establishment that serves liquor; (3) has reviewed the needs of the neighborhood for the outlet and finds that the needs of the neighborhood are not met by the existing outlets; (4) has reviewed the location of the proposed establishment and finds that it is not located within 250 feet of any school or college campus; (5) has reviewed the qualifications of the applicant and, pursuant to the requirements of the Frisco Code and Colorado Statutes, find the applicant to be qualified to obtain a Hotel and Restaurant liquor license for Carlos Mexican Bar and Grill LLC dba Carlos Mexican Bar and Grill.



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: DIANE McBRIDE, INTERIM TOWN MANAGER
RE: SOLE SOURCE RESOLUTION FOR APPROVAL OF OWNER'S REPRESENTATIVE AGREEMENT WITH NV5
DATE: JANUARY 8, 2019

Summary Statement: Staff is requesting approval of the attached sole source resolution for NV5 to provide owner's representative services for the Town of Frisco to complete 2019 budgeted projects at the Peninsula Recreation Area.

Background: In 2018, the Town worked with NV5 for owner's representative services for both the Mary Ruth Housing Project and the Peninsula Recreation Area's (PRA) site plan implementation including the construction of the skate park, landscaping and boulder installation, as well as the design and permitting of the restroom expansion at the Day Lodge. With NV5's expertise and commitment to the projects and the Town, these projects have been completed on time, under budget and in a professional manner.

Staff has worked most closely with Tyler Lundsgaard, Project Manager, with NV5 on the projects at the PRA. He is very familiar with the site and construction plans at the PRA, the engineering details, the scope of the project and the structure and organization of the Town and our various departments.

Phase II of projects for the PRA were approved in the 2019 budget and include:

- **PRA Parking - \$500,000.** The final phase of the PRA improvements near and around the skate park includes finishing/paving the parking areas. The project is for asphalt paving, sub base, curb and gutter and civil infrastructure. Total square footage of this area is 38,500 square feet with a total of 88 parking spaces proposed. The civil infrastructure for the whole area and the creation of 37 designed parking spaces is included in this project and budget as it exists today.
- **PRA Building - \$1,700,000.** This building relocates the staff who are currently working out of the basement at the Day Lodge into a new facility onsite and in proximity to the amenities at the Adventure Park. The facility will also house other recreation employees and on site storage at the PRA, thereby alleviating the stress of office space at Town Hall and unifying employees within the Department. The original concept for this new building accounted for office space, storage space, possible caretaker units, and reception spaces. From discussion with Council and staff, we also recognize the need to evaluate the inclusion of spaces for public use in this building.

These projects require time, expertise, oversight and schedule and budget management. Staff are committed to getting these projects done on time and on budget and will need additional resources and expertise to make this happen.

NV5 has been a tremendous asset to the Town. Staff would like to continue working with NV5 on these projects for 2019. The project management costs for these projects exceed the \$50,000 threshold and therefore, per our Town Code, would need to go through a formal competitive bid process. However, Council is authorized to approve contracts without a competitive bid process if, in their opinion, such goods or services are best obtained from a single or sole source. Due to NV5's knowledge, project history, expertise, and relevant experience with the Town, it is staff's recommendation to continue owner's representative services for the PRA with NV5 without soliciting a competitive bid process. One additional piece of support offered by NV5 is the local knowledge of the project with Chris Guarino, who also works with NV5, lived in Frisco from 2006-2011, and recently moved back to Frisco as a full time resident in 2017.

Staff Analysis: NV5 is a leading provider of professional and technical engineering and consulting solutions with strong management teams with 200 years of combined industry experience. NV5, and specifically Tyler Lundsgaard and Chris Guarino, have knowledge of the Town, specialized skills and unique and relevant experience providing owner's representative services and construction project management. Industry standard owner's representative fees are 5.0% of the total construction costs. The proposal from NV5 for PRA owner's representative services is 4.5% of the total project budget.

Staff Recommendation: Staff recommends approval of this sole source resolution, as allowed under Section 9.3.F of the Town of Frisco's Code of Ordinances, for owner's representative services provided by NV5 a cost not to exceed ninety nine thousand seven hundred thirty dollars (\$99,730).

**TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
RESOLUTION 19-05**

A RESOLUTION APPROVING OWNER'S REPRESENTATION SERVICES AGREEMENT WITH NV5 FOR 2019 CONSTRUCTION PROJECTS AT THE PENINSULA RECREATION AREA WITHOUT A COMPETITIVE BIDDING PROCESS

WHEREAS, under section 9-3 of the Town Code, the Town Council is authorized to approve a contract for goods or services without a competitive bidding process when, in the opinion of the Council, the services are best obtained from a single source due to specialized skills, knowledge or experience, unique and relevant experience, knowledge of the Town or exceptional qualifications or reputation in the field; and

WHEREAS, NV5 is a leading provider of professional and technical engineering and consulting solutions with strong management team with 200 years of combined industry experience; and

WHEREAS, NV5 provides engineering and consulting services to public and private sectors, delivering solutions through five business verticals: Construction Quality Assurance, Infrastructure, Energy, Program Management, and Environmental. With offices nationwide and abroad, NV5 helps clients plan, design, build, test, certify, and operate projects that improve the communities where we live and work; and

WHEREAS, NV5 has previously been engaged by the Town to provide owner's representation services for the Mary Ruth Housing Project and the Peninsula Recreation Area projects. Accordingly, NV5 has specialized knowledge of the Town and unique and relevant experience concerning the Town's construction projects, and

WHEREAS, as a result of NV5's previous services provided to the Town and their specialized skills, the Town Council finds that the continuation of construction and owner's representative services for the 2019 projects at the Peninsula Recreation Area can best be provided by NV5.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO THAT:

The attached Contract for Services between the Town and NV5 is hereby approved and the Town Mayor and Town Clerk are hereby authorized to execute the same on behalf of the Town of Frisco.

INTRODUCED, READ AND ADOPTED THIS 8th DAY OF JANUARY, 2019.

Town of Frisco, Colorado:

Gary Wilkinson, Mayor

ATTEST:

Deborah Wohlmuth, CMC, Town Clerk

CONTRACT FOR SERVICES

THIS AGREEMENT ("Agreement"), made this 8th day of January, 2019 between the Town of Frisco, a Colorado home rule municipal corporation, hereinafter referred to as "FRISCO" and NV5, Inc., as an independent contractor, hereinafter referred to as "CONTRACTOR," provides as follows:

ARTICLE I **SCOPE OF SERVICES**

Section 1.1 Services: CONTRACTOR agrees to perform the professional services in accordance with and/or as described in Attachment A hereto, hereinafter referred to as the "Project" or the "Scope of Services." Attachment A hereto is hereby incorporated by reference and made a part of this Agreement.

Section 1.2 Scope of Services: FRISCO agrees to retain CONTRACTOR to complete the Project. CONTRACTOR shall commence work upon direction to proceed and complete the Project on or before December 31, 2019. Additional services beyond those listed in Attachment A, if requested, shall be provided only when authorized in writing by FRISCO. FRISCO reserves the right to extend this CONTRACT FOR GOODS AND/OR SERVICES to include future project phases associated with this project.

Section 1.3 Independent Contractor: CONTRACTOR shall at all times control the means and manner by which CONTRACTOR performs the work, subject to FRISCO's right to monitor, evaluate and improve such work. CONTRACTOR shall at all times be and act as an independent contractor and not as an employee of FRISCO.

Section 1.4 Warranty of Contractor: CONTRACTOR warrants that title to all services, materials and equipment covered and paid for under this Agreement will pass to FRISCO either by incorporation in the Project or upon the receipt of payment by CONTRACTOR, whichever occurs first, free and clear of all liens, claims, security interests or encumbrances; and that no services, materials or equipment paid for under this Agreement will have been acquired by CONTRACTOR, or by any other person performing services at the site or furnishing materials and equipment for the Project, subject to an agreement under which an interest therein or an encumbrance thereon is retained by the seller or otherwise imposed by CONTRACTOR or such other person.

ARTICLE II **ADMINISTRATION OF THIS AGREEMENT**

Section 2.1 Project Performance: In consideration of the compensation provided for in this Agreement, CONTRACTOR agrees to perform or supply the Project, in accordance with generally accepted standards and practices of the industry.

Section 2.2 Oversight: All of the work associated with the Project shall be performed under the direction of Assistant Town Manager/Recreation & Culture Director Diane McBride; it is expressly understood and agreed that some of the work may have commenced prior to the formal execution of this Agreement, in which event such work is incorporated into the Project and is deemed to have been and is authorized by this Agreement.

Section 2.3 Ownership and Use of Documents:

(a) Any documents prepared by CONTRACTOR, and copies thereof furnished to other parties are for use solely with respect to this Project. They are not to be used by any other contractor or subcontractor on other projects or for additions to this Project outside the scope of the work without the specific written consent of FRISCO. Other contractors and subcontractors are authorized to use and reproduce applicable portions of the documents prepared by the CONTRACTOR appropriate to and for use in the execution of their work under this Agreement. All copies made under this authorization shall bear the statutory copyright notice, if any, shown on the documents prepared by CONTRACTOR.

(b) CONTRACTOR, and any subcontractor or supplier or other person or organization performing or furnishing any work for the Project under a direct or indirect contract with FRISCO (i) shall not have or acquire any title to or ownership rights in any of any documents (or copies of documents) prepared in connection with the Project by a design professional and (ii) shall not reuse any of such documents or copies for extensions of the Project or any other project without written consent of FRISCO and the design professional and specific written verification or adaption by the design professional.

(c) Notwithstanding the provisions of Sections 2.3(a) and (b) above, FRISCO reserves the right to utilize any documents generated in connection with the Project by CONTRACTOR for other projects, provided that CONTRACTOR is not held liable for future project applications other than the Project described pursuant to this Agreement. FRISCO shall not convey any such documents generated by CONTRACTOR to a third party or use any such documents in a manner adverse to the CONTRACTOR.

Section 2.4 Insurance:

(a) CONTRACTOR agrees to procure and maintain, at its own cost, the following policy or policies of insurance sufficient to insure against all liability, claims, demands, and other obligations assumed by CONTRACTOR under this Agreement or arising as a result of this Agreement. Such insurance shall be in addition to any other insurance requirements imposed by this Agreement or by law.

(b) Commercial General Liability insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE

MILLION DOLLARS (\$1,000,000) aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall name FRISCO, its employees and agents as additional insureds and shall include the following provisions: (i) severability of interest; (ii) waiver of subrogation; and (iii) cross liability endorsement.

(c) Workers' Compensation insurance to cover obligations imposed by applicable laws for any employee engaged in the performance of work under this Agreement, and Employers' Liability insurance with minimum limits of SIX HUNDRED THOUSAND DOLLARS (\$600,000) each accident, SIX HUNDRED THOUSAND DOLLARS (\$600,000) disease - policy limit, and SIX HUNDRED THOUSAND DOLLARS (\$600,000) disease - each employee. Evidence of qualified self-insured status may be substituted for the Workers' Compensation requirements of this Section 2.4(c).

(d) Comprehensive Automobile Liability insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE MILLION DOLLARS (\$1,000,000) aggregate with respect to each of CONTRACTOR's owned, hired and non-owned vehicles assigned to or used in performance of the services. The policy shall contain a severability of interests provision. If CONTRACTOR has no owned automobiles, the requirements of this Section 2.4(d) shall be met by each employee of CONTRACTOR providing services to FRISCO under this Agreement.

(e) The insurance policies required by Sections 2.4(a), (b) and (d) shall name FRISCO, its employees and agents as additional insureds. No additional insured endorsement to a policy shall contain any exclusion for bodily injury or property damage arising from completed operations.

(f) Every policy required under this Section 2.4 shall be primary insurance, and any insurance carried by FRISCO, its officers, or its employees, or carried by or provided through any insurance pool of FRISCO, shall be excess and not contributory insurance to that provided by CONTRACTOR. CONTRACTOR shall be solely responsible for any deductible losses under any policy required above. Any insurance policy required under this Agreement shall be written by a responsible company.

(g) Prior to commencement of this Agreement, CONTRACTOR shall provide FRISCO with a certificate of insurance completed by CONTRACTOR's insurer as evidence that policies providing the required coverage, conditions and minimum limits are in full force and effect. The certificate shall identify this Agreement and shall provide that the coverage afforded under the policies shall not be canceled, terminated or materially changed until at least thirty (30) days' prior written notice has been given to FRISCO. The completed certificate of insurance shall be sent to:

Town of Frisco
P.O. Box 4100
Frisco, Colorado 80443
Attn: Bonnie Moinet

(h) CONTRACTOR shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to this Agreement by reason of CONTRACTOR's failure to procure or maintain insurance, or by reason of its failure to procure or maintain insurance in sufficient amount, duration or type. Failure on the part of CONTRACTOR to procure or maintain policies providing the required coverage, conditions and minimum limits shall constitute a material breach of contract upon which FRISCO may immediately terminate this Agreement, or at its discretion FRISCO may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by FRISCO shall be repaid by CONTRACTOR to FRISCO upon demand, or FRISCO may withhold the cost of the premiums from any monies due to CONTRACTOR from FRISCO.

(i) The parties hereto understand and agree that FRISCO is relying on, and does not waive or intend to waive by any provision of this Agreement, the monetary limitations (presently \$150,000 per person and \$600,000 per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101 *et seq.*, C.R.S., as from time to time amended, or otherwise available to FRISCO, its officers, or its employees.

Section 2.5 Indemnification:

(a) CONTRACTOR shall indemnify and hold harmless FRISCO and its agents and employees from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from this Agreement, provided that any such claim, damage, loss or expense (1) is attributable to copyright infringement, bodily injury, sickness, disease or death, or to injury to or destruction of tangible property including the loss of use resulting therefrom, and (2) is caused in whole or in part by any negligent act or omission of CONTRACTOR, any subcontractor of CONTRACTOR, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. Such obligation shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity that would otherwise exist as to any person described in this Section 2.5(a).

(b) In any and all claims against FRISCO or any of its agents or employees by any employee of CONTRACTOR, any subcontractor of CONTRACTOR, anyone directly or indirectly employed by any of them or anyone for whose act any of them may be liable, the indemnification obligation under this Section 2.5 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for CONTRACTOR or any subcontractor under worker's or workman's compensation actions, disability benefit acts or other employee benefit acts.

Section 2.6 Subcontractor: CONTRACTOR shall, as soon as practicable after the signing of this Agreement, notify FRISCO in writing for FRISCO's approval, of any subcontractors who may be involved in the Project and the general scope of work to be performed by each subcontractor.

Section 2.7 Termination of Agreement:

(a) This Agreement may be terminated by either party upon thirty (30) days' written notice, provided that such termination is based upon a substantial failure by the other party to perform in accordance with the terms in this Agreement. Failure to proceed in a timely manner, and/or deviation from the aforesaid Agreement without prior written approval of FRISCO, shall constitute authority for issuance of a termination notice, except wherein circumstances beyond the control of CONTRACTOR shall warrant alteration, adjustment or deviation from this Agreement. In the event of termination, FRISCO will pay CONTRACTOR for all services performed to date of termination. If payment is otherwise due upon completion, FRISCO will pay CONTRACTOR for the pro rata value of the completed portion of the Project that will be incorporated into the Project. FRISCO will require the release of all lien rights as a condition of such payment.

(b) Nothing herein shall constitute a multiple fiscal year obligation pursuant to Colorado Constitution Article X, Section 20. Notwithstanding any other provision of this Agreement, FRISCO's obligations under this Agreement are subject to annual appropriation by the Town Council of FRISCO. Any failure of a Town Council annually to appropriate adequate monies to finance FRISCO's obligations under this Agreement shall terminate this Agreement at such time as such then-existing appropriations are to be depleted. Notice shall be given promptly to CONTRACTOR of any failure to appropriate such adequate monies.

Section 2.8 Binding Effect: FRISCO and CONTRACTOR each bind itself, its successors and assigns to the other party to this Agreement with respect to all rights and obligations under this Agreement. Neither FRISCO nor CONTRACTOR shall assign or transfer its interest in this Agreement without the written consent of the other.

Section 2.9 Notice and Communications: Any notice to the parties required under this Agreement shall be in writing, delivered to the person designated below for the parties at the indicated address unless otherwise designated in writing. Only mailing by United States mail or hand-delivery shall be utilized. Facsimile and/or e-mail addresses are provided for convenience only.

FRISCO:

Diane McBride
Town of Frisco
P.O. Box 4100
Frisco, CO 80443
Electronic mail:
dianem@townoffrisco.com

CONTRACTOR:

John Bills
Managing Director
2650 18th St. Ste. 202
Denver, CO 80211
Attn: John Bills
Electronic mail: john.bills@NV5.com

ARTICLE III **RESPONSIBILITIES OF FRISCO**

Section 3.1 Project Materials: FRISCO shall make available data related to the Project, including design specifications, drawings and other necessary information. Data so furnished to CONTRACTOR shall be furnished at no cost, and shall be returned to FRISCO at the earliest possible time.

Section 3.2 Access to Property and Records: FRISCO shall provide CONTRACTOR with access to public property as required and necessary to complete the contract. To the extent required by law, FRISCO and CONTRACTOR agree to make this Agreement and any related records available for public disclosure pursuant to any open records law, including, without limitation, the Colorado Open Records Act, C.R.S. §§ 24-72-101, *et seq.* CONTRACTOR agrees to hold FRISCO harmless from the disclosure of any records that FRISCO reasonably believes it is legally required to disclose.

Section 3.3 FRISCO's Representative: FRISCO shall designate, in writing, a representative who shall have authority to act for FRISCO with respect to the services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define FRISCO's policies and decisions with respect to materials, equipment, elements and systems pertinent to CONTRACTOR's services.

Section 3.4 Verbal Agreement or Conversation: No verbal agreement or conversation with any officer, agent or employee of FRISCO, either before, during or after the execution of this Agreement, shall affect or modify any of the terms or obligations herein contained, nor shall such verbal agreement or conversation entitle CONTRACTOR to any additional payment whatsoever under the terms of this Agreement.

ARTICLE IV
COMPENSATION FOR SERVICES

Section 4.1 Compensation: CONTRACTOR shall be compensated for its services under this agreement on a time and materials basis, but in no event to exceed the sum of \$99,730 plus reimbursements. A schedule of hourly rates and reimbursable expenses for the CONTRACTOR's work under this Agreement is set forth in Attachment B hereto. Attachment B hereto is hereby incorporated by reference and made a part of this Agreement.

Section 4.2 Payment: FRISCO shall pay CONTRACTOR monies due under this Agreement within thirty (30) days after invoice date, provided such amounts are not in dispute or the subject of setoff.

ARTICLE V
PROHIBITION ON EMPLOYING OR CONTRACTING WITH ILLEGAL ALIENS

Section 5.1 The CONTRACTOR hereby certifies that at the time of executing this Agreement it does not knowingly employ or contract with an illegal alien who will perform work under this Agreement and that it will participate in either the E-Verify Program or Department Program as those terms are defined in C.R.S. §§ 8-17.5-101(3.7) and (3.3), respectively, (the "Programs") in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement.

Section 5.2 The CONTRACTOR shall not knowingly employ or contract with an illegal alien to perform the work under this Agreement or enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement.

Section 5.3 The CONTRACTOR has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

Section 5.4 The CONTRACTOR is prohibited from using the Programs procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.

Section 5.5 If the CONTRACTOR obtains actual knowledge that a subcontractor performing the work under this Agreement knowingly employs or contracts with an illegal alien, the CONTRACTOR shall: (a) notify the subcontractor and the FRISCO within three (3) days that the CONTRACTOR has actual knowledge that the subcontractor is knowingly employing or contracting with an illegal alien; and (b)

terminate the subcontract with the subcontractor if within three (3) days of receiving the notice, required pursuant to C.R.S. § 8-17.5-102(2)(III)(A), the subcontractor does not stop employing or contracting with the illegal alien; except that the CONTRACTOR shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

Section 5.6 The CONTRACTOR shall comply with any reasonable request by the Colorado Department of Labor and Employment (the "Department") made in the course of an investigation that the Department is undertaking pursuant to the authority established in C.R.S. § 8-17.5-102(5).

Section 5.7 Any violation of the provisions of this paragraph shall be deemed to be a material breach of this Agreement and FRISCO may immediately terminate this Agreement for cause based on such violation. If this Agreement is so terminated, the CONTRACTOR shall be liable for actual and consequential damages to FRISCO pursuant to C.R.S. § 8-17.5-102(3) and FRISCO shall notify the office of the Secretary of State of such violation/termination.

ARTICLE VI **MISCELLANEOUS**

Section 6.1 Colorado Law: This Agreement is to be governed by the laws of the State of Colorado.

Section 6.2 Amendments; Change Orders: This Agreement may only be amended, supplemented or modified in a written document signed by both parties.

Section 6.3 Counterparts: This Agreement may be executed in two or more counterparts, using manual or facsimile signature, each of which shall be deemed an original and all of which together shall constitute one and the same document.

Section 6.4 No Third Party Benefit: This Agreement is between FRISCO and CONTRACTOR and no other person or organization shall be entitled to enforce any of its provisions or have any right under this Agreement.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Agreement the day first written above.

FRISCO

By: _____
Name: _____
Title: _____

Attest:

Deborah Wohlmuth, Town Clerk

CONTRACTOR

By: _____
Name: _____
Title: _____

**ATTACHMENT A
TO
CONTRACT FOR SERVICES**

SCOPE OF SERVICES



December 12, 2018

Town of Frisco
Diane McBride
Interim Town Manager
1 Main Street
Frisco, CO 80443

RE: Peninsula Recreation Area Phase II

Dear Ms. McBride:

NV5 is excited for the opportunity to provide the attached add services proposal to work with the Town of Frisco on Phase II of the Peninsula Recreation Area.

We will continue providing the scope of services provided for PRA Phase I, including but not limited to:

- Procurement of design-build contractor for the Office/Maintenance building
- Coordination of user groups throughout the design process
- Design team coordination for civil and landscape scopes for all of Phase II
- Management and oversight of design-build contractor
- Scope coordination of contractors for efficiency in completing full scope of work under one contractor
- Attend key meetings and provide updates to stakeholders
- Create and manage project budget and schedule
- Provide critical thinking and oversight to the overall project process

Our firm values the chance to continue our positive relationship with the Town of Frisco and looks forward to hearing from you. If there is any other information needed by the Town please let me know.

Sincerely,

Tyler Lundsgaard
Project Manager, NV5

Peninsula Recreation Area Phase II

**ATTACHMENT B
TO
CONTRACT FOR SERVICES**

HOURLY RATE AND REIMBURSABLE EXPENSES SCHEDULES



ASA #01

ADDITIONAL SERVICES AUTHORIZATION (ASA)

Project Name: Frisco Peninsula Recreation Area – Phase II
Owner: Town of Frisco
Project Manager: NV5, Inc.

Owner and Project Manager are parties to the Peninsula Recreation Area for owner’s representative services (“Contract”) and wish to amend the Contract to include the scope of Phase II, including the Office/Maintenance building and civil site improvements.

Below is NV5’s fee proposal to expand owner’s representative services to cover the preconstruction, construction and closeout of the Frisco Peninsula Recreation Area:

BASE FEE:

Phase	Fee/Month	Duration	Total
PRECONSTRUCTION (JAN19 – APR19)	\$8,500	4 Months	\$ 34,000
CONSTRUCTION (MAY19 – OCT19)	\$9,180	6 Months	\$ 55,080
CLOSE-OUT (NOV19)	\$10,650	1 Month	\$ 10,650
		Total	\$99,730

HOURLY RATE SCHEDULE:

Role	Rate
Principal	\$190
Project Director	\$170
Senior Project Manager	\$140
Project Manager	\$125
Assistant Project Manager	\$100

Except as expressly amended or modified herein, the Contract shall remain unmodified and in full force and effect.

(Signature page to follow)



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: BONNIE MOINET, FINANCE DIRECTOR
RE: AN ORDINANCE AUTHORIZING ISSUANCE OF SERIES 2019 MARINA ENTERPRISE REVENUE BONDS
DATE: JANUARY 8, 2019

Summary Statement: Staff is requesting approval of Ordinance 19-01 authorizing issuance of Marina Enterprise Revenue Bonds in an amount not to exceed \$6,000,000 to provide funding for capital projects which will expand capacity at the Marina.

Background: Increased recreational demands in the Town, especially along the waterfront of Lake Dillon, made 2018 an ideal time for the Town to update its Marina Master Plan, which was previously updated in 2008. After a thorough public process, the Town adopted the Frisco Marina Park Master Plan on June 26, 2018, which identified multi-phase projects to enhance the Marina. As presented in the Town's 2019 budget, Council authorized staff to pursue funding, in addition to projected revenues and reserve accounts, for 2019 projects totaling \$3,996,700 and projected 2010 projects totaling \$3,602,500. Those projects are as follows:

<u>2019</u>		<u>2020</u>	
Big Dig Grading	\$1,500,000	Intersection/Entry Improvements	\$ 25,000
Fuel Dock Relocation	\$ 700,000	Sidewalks and Paths	\$ 37,500
Site Grading/Prep	\$ 350,000	Parking Areas and Paths	\$1,040,000
Lift Station/Sanitation	\$ 100,000	Office Building	<u>\$2,500,000</u>
Shoreline Beach	\$ 62,500	Total Cost	\$3,602,500
Bulkheads/Retaining Walls	\$ 300,000		
Site Utilities/Infrastructure	\$ 184,200		
Landscaping	\$ 100,000		
Sidewalks/Paths	\$ 100,000		
Boat Ramp Relocation	<u>\$ 600,000</u>		
Total Cost	\$3,996,700		

Staff Analysis: Staff has been working closely with Bond Counsel, Kutak Rock, LLC, and Underwriters, George K. Baum & Company, to develop this ordinance and the associated documents. This is a very unique funding; the bonds are non-rated and there will be fewer investors. Staff and both of these firms have been working diligently to insure we obtain favorable rates and maintain flexibility of terms to benefit both the Town and investors.

Payments in the first two years will be interest only of approximately \$360,000. These lower payments during the construction period will allow the Town to build up reserves over this time. When principal and interest payments are payable, principal payments will be gradually increased, again allowing the Town time to replenish its reserves. Funding for future phases approved in the Marina Park Master Plan will be analyzed during the upcoming years. It is possible additional borrowing may be required; however, these early phase projects are expected to enhance revenues significantly.

The total amount of bonds issued will be approximately \$5,600,000 and approximate uses of the proceeds are:

Marina Projects	\$5,000,000
Required Reserves	\$ 400,000
Closing Costs (underwriting, Bond counsel)	<u>\$ 200,000</u>
	\$5,600,000

Bond payments will begin June 1, 2019 (interest only) and final payment will be December 1, 2048.

Staff Recommendation: Staff recommends approval of this ordinance to allow the Town to issue Marina Enterprise Revenue Bonds in an amount not to exceed \$6,000,000 in order to complete the first two phases of the Marina Park Master Plan, with a total cost of \$7,599,200.

TOWN OF FRISCO, COLORADO

acting by and through its

MARINA ENTERPRISE

SERIES 2019 MARINA ENTERPRISE REVENUE BOND ORDINANCE

Relating to

**Marina Enterprise Revenue Bonds,
Series 2019**

**in an aggregate principal
amount not to exceed \$6,000,000**

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**TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
ORDINANCE 19-01**

AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE TOWN OF FRISCO, ACTING BY AND THROUGH ITS MARINA ENTERPRISE, OF MARINA ENTERPRISE REVENUE BONDS, SERIES 2019, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$6,000,000, FOR THE PURPOSE OF FINANCING THE CONSTRUCTION OF CERTAIN CAPITAL IMPROVEMENTS TO THE MARINA FACILITIES OPERATED BY THE TOWN PRESCRIBING THE FORM OF SUCH SERIES 2019 BONDS AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH

WHEREAS, the Town of Frisco, Colorado (the “Town”) is a home rule municipality duly organized and existing pursuant to the home-rule charter of the Town (the “Charter”) and Article XX of the Constitution (the “Constitution”) of the State of Colorado (the “State”); and

WHEREAS, the Town Council (the “Council”) of the Town has previously acted, pursuant to Town Ordinance No. 05-01 (the “Enterprise Ordinance”), to recognize and confirm the existence of the Frisco Bay Marina enterprise of the Town (the “Enterprise”); and

WHEREAS, Section 10-6 of the Charter authorizes the issuance of revenue bonds and other obligations payable from the revenues of the Enterprise for any purpose authorized by the Enterprise Ordinance; and

WHEREAS, the Council, acting as such and as the governing body of the Enterprise, deems it necessary and appropriate to authorize the issuance of revenue bonds, the proceeds of which shall be used to finance the construction of certain capital improvements to the Frisco Bay Marina facilities (the “System”), fund a debt service reserve, and pay the costs associated with the issuance of such bonds (collectively, the “Project”); and

WHEREAS, such revenue bonds are permitted, under the Charter and Article X, Section 20 of the Constitution, to be issued without an election;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO:

ARTICLE I

DEFINITIONS AND CONSTRUCTION

Section 1.01. Definitions. In this Ordinance the following terms have the following respective meanings unless the context hereof clearly requires otherwise:

“*Acquire*” or “*Acquisition*” means the design, construction, reconstruction, purchase, lease, gift, transfer, assignment, option to purchase, grant from the federal government or any public body or other person, endowment, bequest, devise, installation, condemnation, contract, or other acquirement or other provision, or any combination thereof, of facilities, other property, any project or an interest therein.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement between the Underwriter and the Town, which agreement shall govern the Underwriter’s purchase of the Series 2019 Bonds.

“*Bond Counsel*” means Kutak Rock LLP or other counsel of nationally recognized standing in the field of state and local government finance, acceptable to the Town.

“*Bonds*” means all obligations payable from the Net Pledged Revenues, regardless of their priority.

“*Bond Year*” means the 12 months commencing on the second day of the month, determined by Final Terms Certificate, in which principal payments on the Series 2019 Bonds are payable, and ending on the first day of such month in the next succeeding calendar year.

“*Charter*” means the Home Rule Charter of the Town.

“*Code*” means the Municipal Code of the Town.

“*Combined Annual Debt Service Requirements*” means the sum of the annual Debt Service Requirements for all issues of Parity Bonds or Subordinate Securities for which the computation is being made.

“*Commercial Bank*” means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation and of the Federal Reserve System, which has capital and surplus of \$100,000,000 or more and which is located within the United States of America.

“*Comparable Bond Year*” means, in connection with any Fiscal Year, the Bond Year which ends in such Fiscal Year. For example, for the Fiscal Year commencing on January 1, 2019, the Comparable Bond Year for the Bonds ends in 2019 on the first day of the month which is designated in the applicable Final Terms Certificate for payments of principal (whether or not any such principal is actually payable in 2019).

“*Cost of the Project*” means all or any part of the cost of the Project (including, but not limited to, such costs paid prior to the date hereof and reimbursed to the Town or the Enterprise),

including, without limitation, interest or discount on the Series 2019 Bonds, costs of issuance of the Series 2019 Bonds, legal expenses, costs of financial, professional, and other estimates and advice, contingencies, any administrative, operating, and other expenses of the Town incurred or paid prior to and during the Project, and all such other expenses as may be necessary or incident to the financing and completion of the Project or any part thereof.

“*Council*” means the Town Council of the Town as the governing body of the Town, acting as such or, as the context requires, as the governing body of the Enterprise.

“*C.R.S.*” means the Colorado Revised Statutes, as amended.

“*Debt Service Requirements*” means the principal of, and interest on, and any premium due in connection with the redemption of any Bonds or other Securities payable from the Net Pledged Revenues, excluding any amounts provided for with capitalized interest or other funds actually on hand and irrevocably committed to the payment of Debt Service Requirements.

“*Enterprise*” means the Frisco Bay Marina enterprise of the Town.

“*Equip*” or “*Equipment*” means the furnishing of all necessary or desirable, related or appurtenant machinery and other facilities, or any combination thereof, appertaining to any property, project or interest therein, as authorized by the Charter, the Enterprise Ordinance and this Ordinance.

“*Event of Default*” means any one of the events described in Section 8.01 hereof.

“*Excess Investment Earnings Account*” means the special account created and referred to in Section 3.10 hereof.

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

“*Final Terms Certificate*” or “*Final Terms Certificates*” means a Certificate or Certificates, not inconsistent with this Ordinance, signed by the Finance Director, approving the final terms of the Series 2019 Bonds and their award to the Underwriter pursuant to the Bond Purchase Agreement, and determining any details reasonably necessary or appropriate in connection therewith in order to effectuate or clarify the provisions of this Ordinance and consummate the transactions contemplated hereby.

“*Finance Director*” means the Director of Finance of the Town.

“*Fiscal Year*” means the 12 months commencing on the first day of January of any calendar year and ending on the last day of December of such calendar year or such other 12-month period as may from time to time be designated by the Council or by State statute as the Fiscal Year of the Town.

“*Improve*” or “*Improvement*” means the addition, extension, enlargement, betterment, replacement or improvement or any combination thereof, of facilities, other property, any project

or any interest therein, but not including reconstruction, replacement, repair or other renewal of existing facilities that does not increase the capacity of the Marina System.

“Income” means all income from storage fees, rentals, concessions or any other rates, fees or charges for the services furnished by, or the direct or indirect use of, the Marina System, together with any interest income of the Marina System not specifically excluded from the lien of this Ordinance. To the extent provided by Final Terms Certificate, the Income shall also include, for the purpose of determining compliance with the payment, accumulation and coverage requirements hereof, any other funds contributed to the System for use in paying Debt Service Requirements or Operation and Maintenance Expenses.

“Independent Accountant” means any certified public accountant, or any firm of such accountants, duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the Town, who (a) is, in fact, independent and not under the domination of the Town or the Council; (b) does not have any substantial interest, direct or indirect, in any of the affairs of the Town; and (c) is not connected with the Town as a member, officer or employee of the Council, but who may be regularly retained to make annual or similar audits of any books or records of the Town.

“Independent Rate Consultant” means a nationally recognized individual, firm or corporation of independent rate consultants of recognized good standing and having specific experience in respect of business and properties of a character similar to those of the Marina System, which individual, firm or corporation has no substantial interest, direct or indirect, in the Town and in the case of an individual, is not a member of the Council, or an officer or employee of the Town, and in the case of a firm or corporation, does not have a partner, director, officer or employee who is a member of the Council or an officer or employee of the Town.

“Interest Payment Date” means a date designated by Final Terms Certificate for the payment of interest on the Series 2019 Bonds or any other designated Securities.

“Marina System” or *“System”* means the Frisco Bay Marina facilities presently owned and operated by the Town, and any improvements thereto, together with any other marina facilities specifically added to the System by ordinance of the Town Council, together with Improvements to the foregoing.

“Marina System Fund” means the special fund created and required to be maintained by Section 3.02 hereof.

“Maximum Annual Debt Service Requirements” means, with respect to each issue of Parity Bonds for which the computation is being made, the largest amount of Debt Service Requirements coming due in any single Bond Year when such Parity Bonds are Outstanding.

“Net Pledged Revenues” means all Income remaining after the deduction of Operation and Maintenance Expenses.

“Operation and Maintenance Expenses” means such reasonable and necessary current expenses of the Town, paid or accrued, of operating, maintaining and repairing the Marina System as may be determined by the Council. The term may include, at the option of the

Council, except as limited by contract or otherwise limited by law, without limiting the generality of the foregoing:

- (a) engineering, auditing, legal and other overhead expenses of the Town directly related and reasonably allocable to the administration, operation and maintenance of the Marina System;
- (b) insurance and surety bond premiums appertaining to the Marina System;
- (c) the reasonable charges of any paying agent, registrar, transfer agent, depository or escrow bank appertaining to the Marina System or any bonds or other securities issued therefor;
- (d) annual payments to pension, retirement, health and hospitalization funds appertaining to the Marina System;
- (e) any taxes, assessments, franchise fees or other charges or payments in lieu of the foregoing;
- (f) ordinary and current rentals of equipment or other property under any operating leases and rentals with respect to capital leases if the payment of such capital leases is made subject to annual appropriation by the Council;
- (g) contractual services, professional services, salaries, administrative expenses, and costs of labor appertaining to the Marina System and the cost of materials and supplies used for current operation or routine maintenance and repair of the Marina System;
- (h) repairs and replacements of equipment and other parts of the Marina System necessary to maintain the revenue producing capacity thereof;
- (i) the costs incurred in the collection of all or any part of the Income;
- (j) any costs of utility services furnished to the Marina System by the Town or otherwise;
- (k) reasonable indirect administrative costs incurred by the Town for the benefit of the Marina System;
- (l) costs of any professional services related to the calculation, payment or application for refund of arbitrage rebate; and
- (m) any other such expenses considered by the Town in determining the amount of fees and charges imposed to cover costs of operation and maintenance of the Marina System.

Except as expressly provided herein, “Operation and Maintenance Expenses” do not include:

- (a) any allowance for depreciation;
- (b) any costs of Improvement, extensions, or betterments;
- (c) any accumulation of reserves for capital replacements;
- (d) any accumulation of reserves for operation, maintenance, or repair of the Marina System;
- (e) any allowance for the redemption of any Bonds or other securities or the payment of any interest thereon;
- (f) any liabilities incurred in the Acquisition of any properties comprising the Marina System or any existing properties comprising the Marina System or any combination thereof; and
- (g) any other ground of legal liability not based on contract.

“*Operation and Maintenance Account*” means the special account created and referred to in Section 3.03 hereof.

“*Ordinance*” means this Ordinance, including any amendment hereto, together with any applicable Final Terms Certificate.

“*Outstanding*” means as of any particular date, all the Bonds payable in whole or in part from the Net Pledged Revenues which have been authorized, executed and delivered, except the following:

- (a) any Bond cancelled by the Paying Agent or otherwise on behalf of the Town on or before such date;
- (b) any Bond held by or on behalf of the Town;
- (c) any Bond for the payment or the redemption of which moneys or Federal Securities sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to pay all of the Debt Service Requirements of such Bond to the maturity date or specified Redemption Date thereof shall have theretofore been deposited in escrow or in trust with a Trust Bank for that purpose; and
- (d) any lost, destroyed or wrongfully taken Bond in lieu of or in substitution for which another bond or other security shall have been executed and delivered.

“*Owner*” means the holder of any bearer instrument or registered owner of any registered instrument.

“*Parity Bonds*” means collectively, the Series 2019 Bonds and any other Bonds payable from the Net Pledged Revenues equally or on a parity with the Series 2019 Bonds.

“*Paying Agent*” means UMB Bank, n.a., or a suitable Commercial Bank or Town official designated by Final Terms Certificate to perform the duties of Paying Agent hereunder.

“*Permitted Investments*” means any investment which, as of the time made, is permitted by the laws of the State or the ordinances of the Town pertaining to Town investments to be made with Town funds.

“*Person*” means any individual, firm, partnership, corporation, company, association, joint stock association, limited liability company or body politic or any trustee, receiver, assignee or similar representative thereof.

“*Principal and Interest Account*” means the special fund created and referred to in Section 3.04 hereof.

“*Project Account*” means the special fund created and referred to in Section 3.01 hereof.

“*Redemption Date*” means the date fixed for the redemption prior to maturity of any Bonds or other designated Securities payable from the Net Pledged Revenues in any notice of prior redemption given by or on behalf of the Town.

“*Registrar*” means UMB Bank, n.a., or a suitable Commercial Bank or Town official designated by Final Terms Certificate to perform the duties of Registrar hereunder.

“*Regular Record Date*” means the fifteenth day of the calendar month next preceding an Interest Payment Date for the Series 2019 Bonds.

“*Security*” or “*Securities*” means any bond or note issued by the Town or any other evidence of the advancement of money to the Town.

“*Series 2019 Bonds*” means the Marina Enterprise Revenue Bonds, Series 2019, to be issued hereunder in an aggregate principal amount not to exceed \$6,000,000.

“*Series 2019 Debt Service Reserve Account*” means the special account created and referred to in Section 3.05 hereof.

“*Special Record Date*” means the date fixed by the Paying Agent for the determination of ownership of the Series 2019 Bonds for the purpose of paying interest not paid when due or interest accruing after maturity.

“*State*” means the State of Colorado.

“*Subordinate Bonds*” or “*Subordinate Securities*” means Bonds or Securities payable from the Net Pledged Revenues having a lien thereon subordinate or junior to the lien thereon of the Parity Bonds.

“*Superior Bonds*” or “*Superior Securities*” means Bonds or Securities payable from the Net Pledged Revenues having a lien thereon superior or senior to the lien thereon of the Bonds.

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

“*Surplus Account*” means the special account created and referred to in Section 3.11 hereof.

“*Tax Code*” means the Internal Revenue Code of 1986, as amended.

“*Town*” means the Town of Frisco, Colorado, acting as such or, as the context requires, acting by and through and as the operator of the Enterprise.

“*Transfer Agent*” means UMB Bank, n.a., or a suitable Commercial Bank or Town official designated by Final Terms Certificate to perform the duties of Transfer Agent hereunder.

“*Trust Bank*” means a Commercial Bank which is authorized to exercise and is exercising trust powers.

“*Underwriter*” means George K. Baum & Company, the original underwriter of the Series 2019 Bonds.

Section 1.02. Construction. This Ordinance, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(a) Words in the singular include the plural, and words in the plural include the singular.

(b) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates words of the neuter gender refer to any gender.

(c) Articles, sections, paragraphs and clauses mentioned by number, letter or otherwise, correspond to the respective articles, sections, paragraphs and clauses of this Ordinance so numbered or otherwise so designated.

(d) The titles and leadlines applied to articles, sections and paragraphs of this Ordinance are inserted only as a matter of convenience and ease of reference and in no way define or limit the scope or intent of any provisions of this Ordinance.

(e) Any inconsistency between the provisions of this Ordinance and those of any State statute is intended by the Council. To the extent of any such inconsistency the provisions of this Ordinance shall be deemed made pursuant to the Charter and shall supersede to the extent permitted by law the conflicting provisions of State statutes.

ARTICLE II

THE SERIES 2019 BONDS

Section 2.01. Authorization; Election to Apply Supplemental Public Securities Act.

The Series 2019 Bonds, payable as to all Debt Service Requirements solely out of the Net Pledged Revenues and the other sources expressly provided for herein, are hereby authorized to be issued in an aggregate principal amount not to exceed \$6,000,000, the actual amount of the Series 2019 Bonds to be determined by Final Terms Certificate. The Town hereby elects to apply all of the provisions of the Supplemental Public Securities Act to the Series 2019 Bonds to the extent not inconsistent with the express provisions of this Ordinance. Any delegation of authority hereunder to approve the final terms of the Series 2019 Bonds is intended to be effective through December 31, 2019, notwithstanding any provision of the Supplemental Public Securities Act to the contrary.

Section 2.02. Series 2019 Bonds Details.

(a) *Generally.* The Series 2019 Bonds shall be issued by the Council, as the governing body of the Enterprise, pursuant to the Code, in fully registered form in denominations of \$25,000 and integral multiples of \$1,000 in excess thereof not exceeding the amount maturing on the same maturity date, and, if determined by Final Terms Certificate, may be issued in book entry form through the facilities of The Depository Trust Company (“DTC”).

Installments of principal of the Series 2019 Bonds shall mature on December 1 in the years and in the aggregate principal amounts provided by Final Terms Certificate; provided that the final maturity of the Series 2019 Bonds may be within any period permitted by the Charter but in any event not later than December 1, 2048. The Series 2019 Bonds shall bear interest from the date as of which they are dated or the Interest Payment Date to which interest has been paid next preceding their date, whichever is later, to their maturity dates, except if redeemed prior thereto, at a rate or rates not exceeding 6.00% per annum, as determined by Final Terms Certificate.

Said interest shall be payable commencing not later than June 1, 2019, and semiannually thereafter on each December 1 and June 1. If upon presentation at maturity the principal of any of the Series 2019 Bonds is not paid as provided therein, interest shall continue thereon at the same interest rate until the principal thereof is paid in full.

The Debt Service Requirements of the Series 2019 Bonds shall be payable to the Owners in lawful money of the United States of America by the Paying Agent. The final installment of principal of and the final installment of interest on the Series 2019 Bonds shall be payable to the Owners upon presentation and surrender thereof at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest and any installment of principal other than the final installment shall be payable to the Owners determined as of the close of business on the Regular Record Date irrespective of any transfer of ownership of the Series 2019 Bonds subsequent to the Regular Record Date and prior to such Interest Payment Date, by check or draft mailed to the Owners at

the address appearing on the registration books of the Town maintained by the Registrar. Any interest or principal not paid when due and any interest accruing after maturity shall be payable to the Owners determined as of the close of business on the Special Record Date irrespective of any transfer of ownership of the Series 2019 Bonds subsequent to the Special Record Date and prior to the date fixed by the Paying Agent for the payment of such interest or principal, by check or draft mailed as aforesaid or, to the extent the Bonds are issued in book entry form, in the manner provided by the rules of DTC. Notice of the Special Record Date and of the date fixed for the payment of such principal or interest shall be given by sending a copy thereof by certified or registered first-class, postage prepaid mail, or by electronic means to DTC or its successors, at least 10 days prior to the special record date, to the Owners at the address then appearing on the registration books of the Town. Any premium shall be payable to the Owners upon presentation and surrender thereof upon prior redemption. If the date for making or giving any payment, determination or notice described herein is a Saturday, Sunday, legal holiday or any other day on which the Paying Agent or Registrar is authorized or required by law to remain closed, such payment, determination or notice shall be made or given on the next succeeding day which is not a Saturday, Sunday, legal holiday or other day on which the Paying Agent or Registrar is authorized or required by law to remain closed.

(b) **Redemption.** The Series 2019 Bonds may be made subject to optional redemption prior to maturity, in whole or in part, in a manner determined by the Town, at a price or prices equal to the principal amount so redeemed plus, only to the extent provided by Final Terms Certificate, a redemption premium not to exceed 3% of the principal amount thereof, plus accrued interest to the date of redemption, at such times and in such manner as provided by Final Terms Certificate. The Series 2019 Bonds may also be made subject to mandatory amortization or redemption from sinking fund installments or otherwise, at such times and in such manner, at prices not exceeding the principal amount redeemed from sinking fund payments or such other source as designated, plus accrued interest to the date of redemption, as provided by Final Terms Certificate.

Notice of redemption shall be given by the Paying Agent in the name of the Town by sending a copy thereof by certified or registered first-class postage prepaid mail, or by electronic means to DTC or its successors, at least 30 days prior to the Redemption Date, to the Owners of the Series 2019 Bonds determined as of the close of business on the day preceding the first mailing of such notice, at the addresses appearing on the registration books of the Town. Such notice shall specify the bond numbers, maturities and principal amounts to be redeemed and the date fixed for redemption, and shall further state that on the Redemption Date there will be due and payable the principal amount redeemed plus accrued interest thereon to the Redemption Date plus any premium due and that from and after such date interest will cease to accrue.

(c) **Interest Rates.** The maximum net effective interest rate authorized for the Series 2019 Bonds is 6.00% per annum. The actual net effective interest rate for the Series 2019 Bonds shall be determined by Final Terms Certificate.

(d) ***Execution and Authentication.*** The Series 2019 Bonds shall be executed by and on behalf of the Council, as the governing body of the Enterprise, with the manual or facsimile signature of the Mayor, shall bear a facsimile of the seal of the Town, shall be attested with the manual or facsimile signature of the Town Clerk, and shall be authenticated with the manual signature of a duly authorized signatory of the Registrar. Should any officer whose facsimile signature appears on the Series 2019 Bonds cease to be such officer before delivery of the Series 2019 Bonds to the Owners, such facsimile signature shall nevertheless be valid and sufficient for all purposes. The Series 2019 Bonds shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until the certificate of authentication on such Series 2019 Bonds shall have been duly executed by the Registrar, and such executed certificate upon any such Series 2019 Bonds shall be conclusive evidence that such Series 2019 Bonds has been authenticated and delivered under this Ordinance. The certificate of authentication on the Series 2019 Bonds shall be deemed to have been duly executed by the Registrar if signed by an authorized signatory thereof.

(e) ***Registration, Transfer and Exchange.*** Upon their execution and authentication and prior to their delivery, the Series 2019 Bonds shall be registered for the purpose of payment of principal and interest by the Registrar. Thereafter, the Series 2019 Bonds shall be transferable only upon the registration books of the Town by the Transfer Agent at the request of the Owner or his, her or its duly authorized attorney-in-fact or legal representative. The Town shall not be required to recognize the interest of, take any action on behalf or for the benefit of or make any payment to any Person acquiring an interest in the Series 2019 Bonds by any means other than a transfer effectuated in compliance with this Ordinance.

(f) ***Resignation of Agents.*** If the Paying Agent, Registrar or Transfer Agent shall resign, or if the Town shall reasonably determine that the Paying Agent, Registrar or Transfer Agent has become incapable of fulfilling its duties hereunder, the Town may, upon notice mailed to the Owner of the Series 2019 Bonds at the address last shown on the registration books of the Town or by electronic means to DTC or its successors, appoint a successor paying agent, registrar or transfer agent. Every such successor Paying Agent, Registrar or Transfer Agent shall be a Commercial Bank or an official of the Town. It shall not be required that the same person serve as Paying Agent, Registrar and Transfer Agent hereunder, but the Town shall have the right to have the same person serve as Paying Agent, Registrar and Transfer Agent hereunder.

(g) ***Replacement of Series 2019 Bonds.*** If any Series 2019 Bond shall have been lost, destroyed or wrongfully taken, the Town shall provide for the replacement thereof upon receipt of the evidence of such loss, destruction or wrongful taking, along with an indemnity bond and reimbursement for expenses reasonably satisfactory to it.

(h) ***Recitals in Series 2019 Bonds.*** The Series 2019 Bonds shall recite in substance that the Series 2019 Bonds are a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues and other sources described herein, that the Series 2019 Bonds do not constitute a debt or an indebtedness or multiple fiscal-year debt or other financial

obligation of the Town within the meaning of any constitutional, Charter or statutory provision or limitation, that the Series 2019 Bonds are not payable in whole or in part from the proceeds of general property taxes, and that the full faith and credit of the Town is not pledged for the payment of the principal of or interest on the Series 2019 Bonds. The Series 2019 Bonds shall further recite that they are issued under the authority of the Colorado Constitution, the Charter, the Supplemental Public Securities Act and this Ordinance.

Section 2.03. Form of Series 2019 Bonds. The Series 2019 Bonds shall be in substantially the following form:

[Remainder of Page Left Intentionally Blank]

[Form of Series 2019 Bond]

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF SUMMIT

TOWN OF FRISCO, COLORADO,
ACTING BY AND THROUGH ITS MARINA ENTERPRISE,
MARINA ENTERPRISE REVENUE BOND
SERIES 2019

No. R-__ \$_____

Interest Rate	Maturity Date	Original Date	CUSIP
%	December 1, 20__	_____, 2019	

OWNER: **CEDE & CO.**

PRINCIPAL SUM: **_____ DOLLARS AND NO CENTS**

The Town Council of the Town of Frisco, in the County of Summit and State of Colorado, acting as the governing body of the Marina Enterprise of said Town (the "Enterprise"), for value received, hereby promises to pay to the Owner (specified above), or registered assigns, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum (specified above), in lawful money of the United States of America, with interest thereon from the Original Date (specified above), or the interest payment date to which interest has been paid next preceding the date hereof, whichever is later, to the Maturity Date (specified above), except if redeemed prior thereto, at the per annum Interest Rate (specified above), payable semiannually on the first day of June and the first day of December of each year, commencing on June 1, 2019, or the first such date after the date hereof, whichever is later, in the manner provided herein. If upon presentation at maturity payment of the Principal Sum is not made as provided herein, interest continues at the Interest Rate until the Principal Sum is paid in full.

This Series 2019 Bond is subject to optional redemption prior to maturity, in whole or in part, on December 1, 20__, and on any date thereafter, at a price equal to the principal amount thereof [plus a redemption premium of ____] and accrued interest thereon to the redemption date.

Notice of redemption of the principal of this Series 2019 Bonds is to be given by the paying agent by sending a copy of such notice by certified or registered first-class postage prepaid mail, or by electronic means to DTC or its successors, at least 30 days prior to the redemption date, to the Owners at the addresses appearing on the registration books of the Town. Such notice shall specify the principal amount of the Series 2019 Bonds to be redeemed and shall identify the date fixed for redemption, and shall further state that on the redemption date there will be due and payable the outstanding principal of the Series 2019 Bonds to be redeemed plus accrued interest thereon to the redemption date, and that from and after such date interest will cease to accrue on such Series 2019 Bonds.

The interest on the Series 2019 Bonds is payable by check or draft mailed to the Owners at the address appearing on the registration books of the Town held by UMB Bank, n.a., or its successors, as paying agent (the "Paying Agent"). The final installment of principal and interest thereon is payable to the Owners upon presentation and surrender of this Series 2019 Bonds at maturity or upon prior redemption. Any interest thereon not paid when due and any interest hereon accruing after maturity is payable to the Owners as of a special record date fixed by the Paying Agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest is to be given by sending a copy thereof by certified or registered first-class postage prepaid mail, or by electronic means to DTC or its successors, at least 10 days prior to the special record date, to the Owners at the address appearing on the registration books of the Town. If the date for making or giving any payment, determination or notice described herein is a Saturday, Sunday, legal holiday or any other day on which the Paying Agent or Registrar is authorized or required by law to remain closed, such payment, determination or notice is to be made or given on the next succeeding day which is not a Saturday, Sunday, legal holiday or other day on which the Paying Agent or Registrar is authorized or required by law to remain closed.

This Series 2019 Bond is issued pursuant to an ordinance of the Town (the "Bond Ordinance") as supplemented by a Final Terms Certificate (the Bond Ordinance and such Final Terms Certificate being referred to collectively as the "Ordinance"). Payment of the principal of, interest on and premiums, if any, due in connection with the redemption of, the Series 2019 Bonds is to be made solely from, and as security for such payment there are irrevocably (but not necessarily exclusively) pledged pursuant to the Ordinance, two special accounts, thereby identified as the Principal and Interest Account and the Series 2019 Debt Service Reserve Account, into which the Town Council, acting as the governing body of the Enterprise, has covenanted in the Ordinance to pay, from certain revenues derived from the operation and use of and otherwise pertaining to the Frisco Bay Marina facilities (the "System") of the Town (the "Income") after provision is made only for the payment of all necessary and reasonable current expenses of operating, maintaining and repairing the System (such remaining revenues being referred to as the "Net Pledged Revenues"), sums sufficient to pay when due the principal of, interest on and premiums, if any, due in connection with the redemption of, the Series 2019 Bonds and any Parity Bonds payable from such revenues, and to accumulate and maintain a specified reserve for such purposes. In addition, the Town may at its option augment such funds with any other moneys of the Town legally available for expenditure for the purposes thereof as provided in the Ordinance.

It is hereby recited, certified and warranted that for the payment of the principal of, interest on and premiums, if any, due in connection with the redemption of, this Series 2019 Bond, the Town has created and will maintain said special funds and will deposit the Net Pledged Revenues therein, and out of said special funds, as an irrevocable charge thereon, will pay the principal of, interest on and any premium due in connection with the redemption of this Series 2019 Bond in the manner provided by the Ordinance.

This Series 2019 Bond is secured by a lien on the Net Pledged Revenues, and such Series 2019 Bonds constitutes an irrevocable and first lien, but not necessarily an exclusive first lien, upon the Net Pledged Revenues. Notes, bonds and other types of securities, in addition to the Series 2019 Bonds, subject to expressed conditions, may be issued and made payable from the

Net Pledged Revenues having a lien thereon subordinate and junior to the lien of the Series 2019 Bonds of this issue or, subject to additional expressed conditions, having a lien thereon on a parity with the lien of this Series 2019 Bond in accordance with the provisions of the Ordinance.

The Town Council, acting as the governing body of the Enterprise, covenants and agrees with the Owner hereof that it will keep and will perform all of the covenants of this Series 2019 Bond and of the Ordinance.

This Series 2019 Bond is authorized and issued for the purpose of financing the construction of certain capital improvements to the System as described in the Ordinance, under the authority of and in full conformity with the Constitution of the State of Colorado, the Town Charter, the Code and all other laws of the State of Colorado thereunto enabling and pursuant to the Ordinance, which was duly adopted prior to the issuance of this Series 2019 Bond.

Reference is hereby made to the Ordinance, and to any and all modifications and amendments thereof, for a description of the provisions, terms and conditions upon which this Series 2019 Bond is issued and secured, including, without limitation, the nature and extent of the security for this Series 2019 Bond, provisions with respect to the custody and application of the proceeds hereof, the collection and disposition of the revenues and moneys charged with and pledged to the payment of the principal of, interest on and premiums, if any, due in connection with the redemption of, this Series 2019 Bond, the terms and conditions on which this Series 2019 Bond is issued, a description of the special fund referred to above and the nature and extent of the security and pledge afforded thereby for the payment of the principal of, interest on and premiums, if any, due in connection with the redemption of, this Series 2019 Bond, and the manner of enforcement of said pledge, as well as the rights, duties, immunities and obligations of the Town and the members of its Council, acting as such and as the governing body of the Enterprise, and also the rights and remedies of the Owners. Capitalized terms used in this Series 2019 Bond and not otherwise defined should have the same meanings, respectively, as provided in the Ordinance.

To the extent and in the respects permitted by the Ordinance, the provisions of the Ordinance, or any instrument amendatory thereof or supplemental thereto, may be modified or amended by action of the Town Council of the Town taken in the manner and subject to the conditions and exceptions provided in the Ordinance. The pledge of revenues and other obligations of the Town, acting by and through its Enterprise, under the Ordinance may be discharged at or prior to the maturity or prior redemption of this Series 2019 Bond upon the making of provision for the payment of this Series 2019 Bond on the terms and conditions set forth in the Ordinance.

It is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the Town and the Enterprise in the issuance of this Series 2019 Bond; that it is issued pursuant to and in strict conformity with the Constitution and all other laws of the State of Colorado, including the Town Charter, and the Ordinance; that this Series 2019 Bond does not contravene any constitutional or statutory provision or limitation of the State of Colorado, or any provision or limitation of the Town Charter; and that this Series 2019 Bond is issued under the authority of the Ordinance.

This Series 2019 Bond is transferable only upon the registration books of the Town held by UMB Bank, n.a., or its successors, as transfer agent, at the request of the Owner or his, her or its duly authorized attorney-in-fact or legal representative, upon surrender hereof together with a written instrument of transfer duly executed by the Owners or its duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the transfer agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The Town may deem and treat the person in whose name this Series 2019 Bond is last registered upon the books of the Town as the Owner for the purpose of receiving payment of the principal of, interest on and premiums, if any, due in connection with the redemption of, this Series 2019 Bond and for all other purposes, and all such payments so made to such person or upon his, her or its order will be valid and effective to satisfy and discharge the liability of the Town upon this Series 2019 Bond to the extent of the sum or sums so paid, and the Town will not be affected by any notice to the contrary.

This Series 2019 Bond is issued pursuant to the Supplemental Public Securities Act, Part 2 of Article 57, Title 11, C.R.S., and this recital shall be conclusive evidence of the validity and the regularity of issuance of this Series 2019 Bond after its delivery for value.

This Series 2019 Bond is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues and the other sources identified in the Ordinance, all as more specifically provided in the Ordinance. This Series 2019 Bond does not constitute a debt or an indebtedness or a multiple-fiscal year debt or other financial obligation of the Town within the meaning of any constitutional, charter or statutory provision or limitation. This Series 2019 Bond is not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the Town is not pledged for the payment of the principal of or interest on this Series 2019 Bond.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the Town Council of the Town of Frisco, Colorado, acting as the governing body of the Marina Enterprise of said Town, has caused this Series 2019 Bond to be executed in its name and on its behalf with the manual or facsimile signature of the Mayor of the Town, to be sealed with the manual or facsimile seal of the Town, and to be signed and attested with the manual or facsimile signature of the Town Clerk of the Town.

[SEAL]

TOWN OF FRISCO, COLORADO, ACTING
BY AND THROUGH ITS MARINA
ENTERPRISE

By _____
Mayor

Attest:

By _____
Town Clerk

CERTIFICATE OF AUTHENTICATION

This Series 2019 Bond is one of the series issued pursuant to the Ordinance herein described. Attached hereto is the complete text of the opinion of bond counsel, Kutak Rock LLP, a signed copy of which, dated the date of the first delivery of the Series 2019 Bonds herein described, is on file with the undersigned.

Dated: _____, 2019

UMB BANK, N.A., as Registrar

By _____
Name _____
Title _____

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Series 2019 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM = as tenants in common

TEN ENT = as tenants by the entireties

JT TEN = as joint tenants with the right of survivorship and not as tenants in common

UNIF GIFT MIN ACT = _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors Act

(State)

Additional abbreviations may also be used
though not on the above list.

(Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Owner sells, assigns and transfers unto

(Please Insert Social Security or Other Identifying Number of Assignee)

(Name and Address of Assignee)

the attached Series 2019 Bond and does hereby irrevocably constitute and appoint _____, _____, _____ or its successor, to transfer said Note on the books kept for registration thereof.

Dated: _____

Signature guaranteed:

(Bank, Trust Company or Firm)

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

Transfer Fee Required

[End of Form of Note]

Section 2.04. Series 2019 Bonds Equally Secured With Other Parity Bonds. The covenants and agreements herein set forth to be performed on behalf of the Town and the Enterprise shall be for the equal benefit, protection and security of the Owners of all Parity Bonds, which together, regardless of the time or times of their maturity, shall be of equal rank without preference, priority or distinction of one or more over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

Section 2.05. Special Obligations. The Series 2019 Bonds, as to all Debt Service Requirements thereof, shall be payable solely out of the Net Pledged Revenues and other sources described herein. The Owners may not look to the general fund or any other fund of the Town for the payment of the Debt Service Requirements, except the special funds and accounts pledged therefor. The Series 2019 Bonds shall not constitute a debt or indebtedness or multiple-fiscal year debt or other financial obligation of the Town within the meaning of any constitutional, Charter or statutory provision or limitation, and shall not be considered or held to be a general obligation of the Town, but shall constitute a special and limited obligation of the Town, acting by and through the Enterprise. The Series 2019 Bonds are not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the Town is not pledged for payment of the Series 2019 Bonds.

ARTICLE III

FUNDS AND ACCOUNTS

The proceeds of the Series 2019 Bonds and the Income shall be deposited by the Town in the funds and accounts described in this Article III, to be accounted for in the manner and priority set forth in this Article III.

The Owners shall not have any control over or be in any manner responsible for the application or disposition by the Town or by any of its officers, agents and employees of the moneys derived from the sale of the Series 2019 Bonds or of any other moneys designated in this Article III.

The Net Pledged Revenues and all moneys and securities paid or to be paid to or held or to be held in any fund or account hereunder (except the Operation and Maintenance Account and the Excess Investment Earnings Account) are hereby pledged to secure the payment of the Debt Service Requirements of the Series 2019 Bonds, subject to the provisions herein relating to the Project Account and the Surplus Account and subject to the application of the Net Pledged Revenues for the payment of Debt Service Requirements of Parity Bonds. This pledge shall be valid and binding from and after the date of the first delivery of the Series 2019 Bonds, and the moneys, as received by the Town 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 and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the Town (except as herein otherwise expressly provided), and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Town (except as herein otherwise expressly provided), irrespective of whether such parties have notice thereof.

Section 3.01. Project Account. Proceeds of the Series 2019 Bonds shall be deposited, in an amount to be determined by Final Terms Certificate, in a special account created within the Marina Enterprise Fund of the Town by this Ordinance to be known as the Marina Enterprise Revenue Bonds, Series 2019, Project Account (the "Project Account"). Moneys on deposit in the Project Account shall be used to pay costs of the Project, including any reimbursement to the Town for costs of the Project previously paid from the Marina Enterprise Fund of the Town and other costs of issuance of the Series 2019 Bonds and other incidental costs necessary or appropriate in connection with the Project and the financing thereof. Moneys in the Project Account, and interest or investment income thereon, are not included within the Net Pledged Revenues and do not constitute security for the Series 2019 Bonds. Moneys and investments in the Project Account shall be held and applied by the Town to the completion of the Project. Upon completion of the Project, the balance of moneys in the Project Account, if any, shall be transferred to the Principal and Interest Account, to be used for the purposes of said Account in accordance with this Ordinance.

Section 3.02. Marina System Fund. Except as otherwise provided herein, the entire Income, upon receipt thereof from time to time by the Town, shall be set aside and credited immediately to the Marina System Fund, which shall constitute a subfund of the Marina Enterprise Fund of the Town. In addition, the Town may at its option credit to the Marina System Fund any other moneys of the Town legally available for expenditure for the purposes of the Marina System Fund as provided herein.

The Marina System Fund shall be administered and the moneys on deposit therein shall be deposited and applied in the following order of priority:

FIRST, to the Operation and Maintenance Account to pay Operation and Maintenance Expenses in the manner set forth in Section 3.03 hereof;

SECOND, to the Principal and Interest Account to pay the Debt Service Requirements of the Parity Bonds then Outstanding in the manner set forth in Section 3.04 hereof;

THIRD, to the Series 2019 Debt Service Reserve Account, in the manner set forth in Section 3.05 hereof;

FOURTH, to the Surplus Account, in the manner set forth in Section 3.11 hereof;

FIFTH, to the payment of the Debt Service Requirements of Subordinate Bonds or other Subordinate Securities in accordance with Section 3.07 hereof; and

SIXTH, to be used in accordance with Sections 3.06 and 3.08 hereof.

In order to give effect to the requirements of both the Code and this Ordinance, the Town may to the extent necessary advance, subject to reimbursement, Income required for the payment of Operation and Maintenance Expenses from funds earmarked for capital facilities, and may also to the extent necessary advance, subject to reimbursement, Net Pledged Revenues required for the payment of the Debt Service Requirements of Parity Bonds from funds earmarked for operation and maintenance, including the Operation and Maintenance Account.

Section 3.03. Operation and Maintenance Account. As a first charge on the Marina System Fund, there shall be credited from time to time to the Operation and Maintenance Account, created within the Marina System Fund by this Ordinance, moneys sufficient to pay the Operation and Maintenance Expenses of the System as they become due and payable, and thereupon the Operation and Maintenance Expenses shall be promptly paid.

Section 3.04. Principal and Interest Account. The Town shall deposit into the Principal and Interest Account, created within the Marina System Fund by this Ordinance, forthwith upon receipt of the proceeds of the Series 2019 Bonds, interest accrued thereon, if any, from their date to the date of delivery thereof to the Owners, to apply to the payment of interest first due on the Series 2019 Bonds.

Subject to the payments required by Section 3.03 hereof, for so long as the Series 2019 Bonds are Outstanding, the Town shall deposit in the Principal and Interest Account from the Net Pledged Revenues semiannually, no less than seven days prior to the next occurring Interest Payment Date, the amount of interest accruing on the Series 2019 Bonds during said period (with a credit for the amount of any accrued or capitalized interest deposited in the Principal and Interest Account and not theretofore credited) and, after the first Interest Payment Date of the Series 2019 Bonds, no less than seven days prior to each next occurring Interest Payment Date the following amounts:

(a) ***Interest Payments.*** The aggregate amount of the next installment of interest due in the then current Bond Year in connection with the Series 2019 Bonds plus any other amounts due for interest on any other Parity Bonds then Outstanding; and

(b) ***Principal Payments.*** The aggregate amount, if any, of the installment of principal due on such Interest Payment Date plus any other amounts due for principal of any other Parity Bonds then Outstanding.

Such interest and principal shall be promptly paid when due.

The moneys credited to the Principal and Interest Account, excluding investment earnings which may be required to be rebated to the federal government, shall be used to pay the Debt Service Requirements of the Parity Bonds then Outstanding, as such Debt Service Requirements become due, except as otherwise provided in this Ordinance or other ordinances authorizing Parity Bonds. The Principal and Interest Account shall also be maintained as a sinking fund for the mandatory redemption of any Parity Bonds which are subject to mandatory sinking fund redemption. Any mandatory sinking fund redemption of principal shall be treated as an installment of principal for purposes of this Section 3.04.

Nothing herein shall be construed to prevent the Town from creating separate principal and interest accounts for separate issues of Parity Bonds and accounting separately for any deposits made thereto on account of separate issues of Parity Bonds, if such action is deemed by the Town to be necessary or desirable in order to comply with any statute or regulation governing the exemption from federal income taxes of interest on any such Parity Bonds; provided that any such separate accounts shall have claims to the Net Pledged Revenues equal to and on a parity with those of the other such accounts. Nothing herein shall be construed to

prevent the Town from creating subfunds or subaccounts for the purpose of recording the payments and accumulations made hereunder in a manner consistent with the accounting principles which may be employed by the Town from time to time.

Section 3.05. Series 2019 Debt Service Reserve Account. The Town shall deposit in the Series 2019 Debt Service Reserve Account, at the time of issuance of the Series 2019 Bonds, a sum, determined by Final Terms Certificate, equal to the lesser of 10% of the proceeds of the Series 2019 Bonds, the Maximum Annual Debt Service Requirements of the Series 2019 Bonds coming due in any Bond Year or 125% of the average annual Debt Service Requirements of the Series 2019 Bonds. Subject to the payments required by Sections 3.03 and 3.04 hereof and except as provided in Section 3.06 hereof, from the Net Pledged Revenues, there shall be credited from time to time as hereinafter provided to the Series 2019 Debt Service Reserve Account moneys sufficient to accumulate in and maintain the Series 2019 Debt Service Reserve Account at an amount at least equal to the amount so determined. In the event that the amount of the Series 2019 Debt Service Reserve Account falls below the amount determined by Final Terms Certificate, the Town shall credit to the Series 2019 Debt Service Reserve Account from Net Pledged Revenues or may credit to the Series 2019 Debt Service Reserve Account from the Surplus Account that sum of money needed to accumulate or reaccumulate the amount therein so that at all times the amount of the Series 2019 Debt Service Reserve Account equals the amount specified in such Final Terms Certificate. The moneys required to be deposited in the Series 2019 Debt Service Reserve Account, excluding investment earnings which may be required to be rebated to the federal government, shall be set aside, accumulated and, if necessary, reaccumulated from time to time, and maintained as a continuing reserve to be used, except as hereinafter provided in this Section 3.05 and in Section 3.06 and Article VII hereof, only to prevent deficiencies in payment of the Debt Service Requirements of the Series 2019 Bonds then Outstanding resulting from failure to deposit into the Principal and Interest Account sufficient funds to pay such Debt Service Requirements as the same become due. The Series 2019 Debt Service Reserve Account shall not be required to be maintained after the Series 2019 Bonds are no longer Outstanding.

If at any time the Town shall for any reason fail to pay into the Principal and Interest Account the full amount above stipulated to be paid with respect to the Series 2019 Bonds, then an amount shall be paid into the Principal and Interest Account at such time first from the Surplus Account, to the extent such funds are available, equal to the difference between that paid from the Net Pledged Revenues and the full amount so stipulated. If the amount so applied remains insufficient to satisfy the Debt Service Requirements then due, the difference shall be paid into the Principal and Interest Account from the Series 2019 Debt Service Reserve Account. Any money so used from the Series 2019 Debt Service Reserve Account shall be replaced to the Series 2019 Debt Service Reserve Account from the first moneys credited to the Marina System Fund thereafter received and not required to be otherwise applied by Sections 3.03 and 3.04 hereof. If Parity Bonds are Outstanding and the ordinances authorizing the issuance of those Securities require the replacement of moneys in separate reserve accounts therefor, then the moneys replaced in the Series 2019 Debt Service Reserve Account shall be replaced on a pro rata basis based upon the total principal amount of the then Outstanding Parity Bonds and the total principal amount of the Series 2019 Bonds Outstanding, as moneys become available therefor.

If at any time the Town shall for any reason fail to pay into the Series 2019 Debt Service Reserve Account the full amount stipulated herein from the Net Pledged Revenues, the difference between the amount paid and the amount so stipulated shall in a like manner be paid therein first from the Surplus Account, to the extent funds are available, and thereafter from the first moneys credited to the Marina System Fund thereafter received and not required to be applied otherwise by Sections 3.03 and 3.04 hereof.

Nothing in this Ordinance shall be construed as limiting the right of the Town to substitute for the cash deposit required to be maintained in the Series 2019 Debt Service Reserve Account a letter of credit, surety bond, insurance policy, agreement guaranteeing payment, or other undertaking by a financial institution to ensure that cash in the amount otherwise required to be maintained hereunder will be available to the Town as needed; provided that any such substitution shall not cause the then current rating or ratings of the Series 2019 Bonds or any other Parity Bonds to be adversely affected.

If the Series 2019 Bonds are no longer Outstanding, the Town may apply any remaining funds in the Series 2019 Debt Service Reserve Account to any other lawful purpose.

Section 3.06. Termination of Deposits. No payment need be made into the Principal and Interest Account if the amount in the Principal and Interest Account and the amount in the Series 2019 Debt Service Reserve Account totals a sum at least equal to the entire amount of the Outstanding Parity Bonds, as to all Debt Service Requirements, to their respective maturities or to any Redemption Date or Redemption Dates as of which the Town shall have exercised or shall have obligated itself to exercise its option to redeem, prior to their respective maturity dates, any Parity Bonds then Outstanding and thereafter maturing (provided that, solely for the purpose of this Section 3.06, there shall be deemed to be a credit to the Series 2019 Debt Service Reserve Account of moneys, Federal Securities and bank deposits, or any combination thereof, accounted for in any other fund or account of the Town and restricted solely for the purpose of paying the Debt Service Requirements of such Parity Bonds), in which case moneys in the Principal and Interest Account and the Series 2019 Debt Service Reserve Account in an amount, except for any known interest or other gain to accrue from any investment or deposit of moneys pursuant to Section 4.02 hereof from the time of any such investment or deposit to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Debt Service Requirements, shall be used together with any such gain from such investments and deposits solely to pay such Debt Service Requirements as the same become due. Any moneys in excess thereof in the Principal and Interest Account and the Series 2019 Debt Service Reserve Account and any other moneys derived from the Income or otherwise pertaining to the Marina System may be used in any lawful manner determined by the Town.

Section 3.07. Payment of Subordinate Securities. After there has been deposited to the Principal and Interest Account an amount sufficient to pay all the Debt Service Requirements due during the current Bond Year on all Parity Bonds then Outstanding and after the accumulations to and replenishments of the Series 2019 Debt Service Reserve Account to be made in the current Bond Year have been made, any moneys remaining in the Marina System Fund for such Bond Year may be used by the Town for the payment of Debt Service Requirements of Subordinate Securities payable from the Net Pledged Revenues and authorized to be issued in accordance with this ordinance including reasonable reserves for such

Subordinate Securities; but the lien of such Subordinate Securities on the Net Pledged Revenues and the pledge thereof for the payment of such Subordinate Securities shall be subordinate to the lien and pledge of any Outstanding Parity Bonds as herein provided.

Section 3.08. Use of Remaining Revenues. After the payments required to be made by Sections 3.01 through 3.07 hereof are made, at the end of any Bond Year, or whenever in any Bond Year there shall have been credited to the Principal and Interest Account, the Series 2019 Debt Service Reserve Account and the Surplus Account, all amounts required to be deposited in those special funds during said Bond Year, as herein provided, any remaining moneys credited to the Marina System Fund may be used for the Acquisition of Improvements or other properties or facilities for the Marina System or for any one or any combination of other lawful purposes as the Town may from time to time determine.

Section 3.09. Budget and Appropriation of Sums. The proceeds of the Series 2019 Bonds, together with all sums provided to make the payments specified in this Article III are hereby appropriated for said purposes, and in each year said amounts shall be included in the annual budget and the appropriation ordinance or measures to be adopted or passed by the Council in each year respectively while the Series 2019 Bonds, either as to principal or interest, are Outstanding and unpaid. No provisions of any constitution, Charter, statute, ordinance, resolution or other order or measure enacted after the issuance of the Series 2019 Bonds shall in any manner be construed as limiting or impairing the obligation of the Town to keep and perform the covenants contained in this Ordinance so long as the Series 2019 Bonds remain Outstanding and unpaid. Nothing herein shall prohibit the Council from appropriating other legally available funds of the Town to the Marina System Fund for the purposes thereof.

Section 3.10. Excess Investment Earnings Account. The Finance Director shall transfer into and pay from the Excess Investment Earnings Account hereby created within the Marina System Fund the amount of required arbitrage rebate, if any, due to the federal government under Sections 103 and 148(f)(2) of the Tax Code and regulations promulgated thereunder. The Finance Director shall determine such amounts in the manner required by said sections and related regulations and Section 6.20(b) hereof. Transfer of the required arbitrage rebate amounts shall be made from the Principal and Interest Account, the Series 2019 Debt Service Reserve Account, the Surplus Account, the Project Account or any other legally available funds of the Town or the Enterprise; provided, however, that required arbitrage rebate payments shall be made to the federal government from legally available funds regardless of whether there are any remaining proceeds or other funds attributable to the Series 2019 Bonds that are available for the purpose.

All amounts in the Excess Investment Earnings Account, including income earned from investment thereof, shall be held by the Finance Director free and clear of any lien created by this Ordinance, and the Finance Director shall remit the same to the federal government from time to time to the extent required by Section 6.20 hereof.

Section 3.11. Surplus Account. After the issuance of the Series 2019 Bonds, the Town shall deposit from time to time in the Surplus Account, created within the Marina System Fund by this Ordinance, legally available monies of the Enterprise, up to the amount provided by Final Terms Certificate (the "Maximum Surplus Amount"). The Town shall fund the Surplus Account

from one-half of any moneys remaining after application of the requirements of paragraphs FIRST, SECOND, and THIRD provided in Section 3.02 hereof. The Town shall have no obligation to fund the Surplus Account in any amount from any other sources nor to fund the Surplus Account beyond the Maximum Surplus Amount, provided that in the event of a draw on the Surplus Account before the Maximum Surplus Amount is accumulated, the Town shall nevertheless continue to fund the Surplus Account until the Maximum Surplus Amount is fully accumulated. Following the accumulation of the Maximum Surplus Amount the Town shall have no further obligation to replenish the Surplus Account in the event of a draw on the Surplus Account. Funds in the Surplus Account shall be applied solely to the timely payment of Debt Service Requirements of the Series 2019 Bonds (in the manner required by Section 3.05 hereof or this Section 3.11), the payment of Operation and Maintenance Expenses (as and when deemed necessary by the Town, regardless of amounts on deposit in the Operation and Maintenance Account), the payment of any Costs of the Project (as and when deemed necessary by the Town after expenditure of all amounts on deposit in the Project Account) to ensure the completion of the Project and the funding of the Excess Investment Earnings Account (as and when deemed necessary by the Town to comply with the requirements of Section 3.10 hereof) and shall not be used or pledged to the payment of any other obligations. For so long as the Surplus Account is in existence, moneys therein shall be used solely in accordance with this Article III.

In the event the amounts credited to the Principal and Interest Account and available to pay the Series 2019 Bonds are insufficient to pay the principal of, premium if any, or interest on the Series 2019 Bonds when due and there are moneys in the Surplus Account, the Town shall transfer to the Principal and Interest Account from the Surplus Account an amount which, when combined with moneys in the Principal and Interest Account, will be sufficient to make such payments when due. Any additional deficiency in the Principal and Interest Account Remaining after such transfer from the Surplus Fund shall be paid from the Series 2019 Debt Service Reserve Account in accordance with Section 3.05 hereof. In the event the amounts in the Principal and Interest Account, the Surplus Account and the Series 2019 Debt Service Reserve Account are insufficient to pay all principal, premium if any, and interest on any due date, the Town shall nonetheless transfer all moneys in the Surplus Account to the Principal and Interest Account and use such moneys for the purpose of making partial payments as provided herein with respect to the Series 2019 Bonds. Amounts in the Surplus Account shall not be used to redeem Series 2019 Bonds being called pursuant to any optional redemption provisions hereof, but may be used to pay Series 2019 Bonds coming due as a result of any mandatory sinking fund redemption. Amounts shall be transferred to the Principal and Interest Account from the Surplus Account before any amounts are transferred from the Series 2019 Debt Service Reserve Account.

Moneys credited to the Surplus Account may be invested pursuant to Section 4.02 hereof. All interest income from the investment or reinvestment of moneys credited to the Surplus Account shall be retained in the Surplus Account. Notwithstanding the preceding, the amount on deposit in the Surplus Account shall never exceed the amount of the Maximum Surplus Amount. On each Interest Payment Date, any funds in excess of the Maximum Surplus Amount shall be transferred from the Surplus Account to the Principal and Interest Account for payment of principal of and interest on the Series 2019 Bonds.

ARTICLE IV

GENERAL ADMINISTRATION OF FUNDS

Section 4.01. Places and Times of Deposits. Each of the special funds or accounts created or referred to in Article III hereof shall be maintained as a book account of the Town and all moneys accounted for therein shall at all times be either deposited in a Commercial Bank or invested in Permitted Investments. For purposes of such deposits or investments of moneys, nothing herein prevents the commingling of moneys accounted for in any two or more such funds or accounts pertaining to the Income. Such funds or accounts shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes of such funds or accounts. Each periodic payment shall be credited to the proper fund or account not later than the date therefor herein designated, except that when any such date shall be a Saturday, a Sunday or a legal holiday, then such payment shall be made on or before the next preceding business day.

Section 4.02. Investment of Funds. Any moneys in any fund or account described in Article III hereof may be invested, re-invested or deposited only in Permitted Investments. Securities or obligations purchased as such investments shall either be subject to redemption at any time at face value by the Owner thereof at the option of such Owner or shall mature at such time or times as shall most nearly coincide with the expected need for moneys from the fund or account in question. Securities or obligations so purchased as an investment of moneys in any such fund or account shall be deemed at all times to be a part of the applicable fund or account; provided that (with the exception of the Series 2019 Debt Service Reserve Account, the Surplus Account and the Excess Investment Earnings Account) the interest accruing on such investments and any profit realized therefrom shall be credited to the Marina System Fund, and any loss resulting from such investments shall be charged to the particular fund or account in question. Interest and profit realized from investments in the Series 2019 Debt Service Reserve Account shall be credited to the Series 2019 Debt Service Reserve Account; provided that, with respect to the Series 2019 Debt Service Reserve Account, so long as the amount in the Series 2019 Debt Service Reserve Account equals at least the minimum amount specified in Section 3.05 hereof, and with respect to the Surplus Account, once the amount in the Surplus Account exceeds the Maximum Surplus Amount, such interest and profit may be transferred to the Principal and Interest Account and distributed in the same manner as other moneys in the Principal and Interest Account. Any loss resulting from such investments in the Series 2019 Debt Service Reserve Account shall be charged to the Series 2019 Debt Service Reserve Account. The Town shall present for redemption or sale on the prevailing market any securities or obligations so purchased as an investment of moneys in a given fund or account whenever it shall be necessary to do so in order to provide moneys to meet any required payment or transfer from such fund or account. The Town shall not invest any moneys accounted for hereunder if any such investment would contravene the covenant concerning arbitrage in Section 6.20 hereof.

Section 4.03. No Liability for Losses Incurred in Performing Terms of Ordinance. Neither the Town nor any officer of the Town shall be liable or responsible for any loss resulting from any investment or reinvestment made in accordance with this Ordinance.

Section 4.04. Character of Funds. The moneys in any fund or account herein described shall consist of lawful money of the United States of America or investments permitted by Section 4.02 hereof or both such money and such investments. Moneys deposited in a demand or time deposit account in or evidenced by a certificate of deposit of a Commercial Bank pursuant to Sections 4.01 and 4.02 hereof, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States of America.

Section 4.05. Accelerated Payments Optional. Nothing contained herein prevents the accumulation in any fund or account designated herein of any monetary requirements at a faster rate than the rate or minimum rate, as the case may be, provided therefor, but no payment shall be so accelerated if such acceleration shall cause a default in the payment of any obligation of the Town pertaining to the Income.

ARTICLE V

PRIORITIES; LIENS; ISSUANCE OF ADDITIONAL SECURITIES

Section 5.01. First Lien on Net Pledged Revenues; Equality of Bonds. Except as expressly provided in this Ordinance with respect to Parity Bonds and Subordinate Securities, the Net Pledged Revenues and other funds expressly provided for herein shall be and hereby are irrevocably pledged and set aside to pay the Debt Service Requirements of the Series 2019 Bonds.

The Outstanding Parity Bonds constitute an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Net Pledged Revenues.

Any Parity Bonds authorized, issued and from time to time Outstanding are equitably and ratably secured by a lien on the Net Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Net Pledged Revenues regardless of the time or times of the issuance thereof, it being the intention of the Council that there shall be no priority among Parity Bonds, regardless of the fact that they may be actually issued and delivered at different times.

Section 5.02. Issuance of Additional Parity Bonds. Nothing herein, except the limitations stated in Section 5.06 hereof, prevents the issuance by the Town of additional Parity Bonds payable from the Net Pledged Revenues and constituting a lien on the Net Pledged Revenues on a parity with, but not prior or superior to, the lien thereon of the Series 2019 Bonds; but before any such Parity Bonds are authorized or actually issued the Town shall satisfy the following conditions:

(a) ***Absence of Default.*** At the time of the adoption of the supplemental ordinance or other instrument authorizing the issuance of the Parity Bonds as provided in Section 5.06 hereof, the Town shall not be in default in making any payments required by Article III hereof.

(b) ***Historic Revenues Tests.***

(i) Except as hereinafter provided in the case of additional Parity Bonds issued for the purpose of refunding less than all of the Bonds and other Parity Bonds then outstanding, the Net Pledged Revenues for the last complete Fiscal Year prior to the issuance of the proposed additional Parity Bonds, as certified by the Town Manager, must have been equal to at least 125% of the Maximum Annual Debt Service Requirements of the Parity Bonds then Outstanding and the Parity Bonds proposed to be issued.

(ii) If any adjustment in rates, fees, tolls or charges is made by the Town during such Fiscal Year, the Town Manager shall adjust the calculation of the Net Pledged Revenues to reflect the amount thereof that would have been received if such adjustment had been in effect throughout such Fiscal Year.

(iii) For purposes of this Section 5.02(b), when computing the Maximum Annual Debt Service Requirements for any issue of Parity Bonds bearing interest at a variable, adjustable, convertible or other similar rate which is not fixed for the entire term thereof, it shall be assumed that any such securities outstanding at the time of the computation will bear interest during any period, if the interest rate for such periods shall not have been determined, at a fixed rate equal to the higher of 6.00% per annum or the highest interest rate borne during the preceding 24 months by Outstanding securities of the Town (excluding securities issued pursuant Part 1 of Article 3 of Title 29, Colorado Revised Statutes, as amended, or other similar securities) bearing interest at a variable, adjustable, convertible or other similar rate or, if no such securities of the Town are outstanding at the time of the computation, by any similar securities for which the interest rate is determined by reference to an index comparable to that to be utilized in connection with the securities proposed to be issued, or if the interest rate for such period has been determined and is not subject to variation, adjustment or conversion prior to the expiration of such period, at the rate so determined. It shall further be assumed that any such securities which may be tendered prior to maturity for purchase at the option of the Owner thereof will mature on their stated maturity or mandatory redemption dates.

(iv) In the case of additional Parity Bonds issued for the purpose of refunding less than all of the Series 2019 Bonds and other Parity Bonds then Outstanding, compliance with this Section 5.02(b) shall not be required so long as the Debt Service Requirements payable as to all Bonds and other Parity Bonds Outstanding after the issuance of such Parity Bonds on each Interest Payment Date do not exceed the Debt Service Requirements payable on all Bonds and other Parity Bonds Outstanding prior to the issuance of such Parity Bonds on such Interest Payment Date. The foregoing shall not prevent the extension of maturity of any such Parity Bonds, and no additional payments attributable to an extension of maturity shall constitute or be treated as an increase in Debt Service Requirements with respect to any such partially refunded Parity Bonds for purposes of this Section 5.02(iv).

Section 5.03. Effect of Certification of Revenues. Where certifications of revenues are required by this Ordinance, the specified and required written certifications of the Town Manager to the effect that revenues are sufficient to pay the required amounts shall be conclusively presumed to be accurate in determining the right of the Town to authorize issue, sell and deliver Parity Bonds.

Section 5.04. Subordinate Securities Permitted. Nothing herein, except the limitations stated in Section 5.06 hereof, prevents the Town from issuing Subordinate Securities for any lawful purpose, so long as, at the time of adoption of the supplemental ordinance or other instrument authorizing the issuance of Subordinate Securities, the Town shall not be in default in making any payments required in connection with any Outstanding Parity Bonds.

Section 5.05. Superior Securities Prohibited. The Town hereby agrees that it shall not issue any Superior Bonds or Superior Securities.

Section 5.06. Supplemental Ordinances. Parity Bonds or Subordinate Securities shall be issued only after authorization thereof by ordinance, supplemental ordinance or other instrument of the Council, in substantially the same form as this Ordinance, stating the purpose or purposes of the issuance of such additional Securities, directing the application of the proceeds thereof to such purpose or purposes, directing the execution thereof, and fixing and determining the date, series designation, principal amount, maturity or maturities, maximum rate or rates of interest and prior redemption privileges of the Town with respect thereto, and providing for payments to and from the Marina System Fund in accordance with this Ordinance. All additional Securities shall bear such date, shall be payable as to principal and interest on the same semiannual dates as the Bonds and shall be subject to redemption prior to maturity on such terms and conditions as may be provided, and shall bear interest at such rate or rates as may be fixed by ordinance, instrument or other document of the Council.

ARTICLE VI

COVENANTS

The Town hereby particularly covenants and agrees with the Owners, and makes the following covenants and provisions which shall be a part of its contract with such Owners, and shall be kept by the Town continuously until the Series 2019 Bonds have been fully paid and discharged:

Section 6.01. Rate Maintenance Covenant. The Town shall prescribe, revise and collect rates, fees and charges for use of the Marina System which shall produce Income sufficient, together with any other moneys legally available therefor and credited to the Marina System Fund, to make the payments and accumulations required by this Ordinance; and which shall produce Income sufficient, after payment of Operation and Maintenance Expenses, to pay an amount at least equal to 125% of the Combined Annual Debt Service Requirements for the Outstanding Parity Bonds. Such Income remaining after payment of Operation and Maintenance Expenses and the Debt Service Requirements of Outstanding Parity Bonds shall also be sufficient to pay 100% of the Combined Annual Debt Service Requirements of all Outstanding

Subordinate Securities, plus any amounts required to meet then existing deficiencies pertaining to any fund or account relating to the Net Pledged Revenues or any securities payable therefrom.

The Council will increase rates, fees and charges in such manner and to such extent as to reasonably ensure the payments and accumulations required by the provisions of this Ordinance. If in any year it shall appear that such rates, fees and charges at any time shall not be sufficient to make all of the payments and accumulations required by this Ordinance, the Town shall retain an Independent Rate Consultant who shall analyze the rate structure and utilization of the Marina System and make a written recommendation concerning any appropriate increases or other changes in such rate structure which would enable the Town to perform its covenants and make all of the payments and accumulations required hereby. The insufficiency of such rates, fees and charges to make such payments and accumulations shall not require any action by the Town to increase rates, fees or charges if, in the opinion of such consultant, the rates, fees and charges being imposed are reasonable and consistent with the maximization of the Net Pledged Revenues. The Town Council, as the governing body of the Enterprise, will promptly review and implement, if reasonably possible, the recommendations of such Independent Rate Consultant. So long as the Town continuously complies with the provisions of this paragraph, the failure to produce Income annually in an amount sufficient to pay the annual Operation and Maintenance Expenses and 125% of the Combined Annual Debt Service Requirements for the Outstanding Parity Bonds shall not constitute an Event of Default under this Ordinance.

Section 6.02. Collection of Charges. The Town shall cause all rates, fees and charges to be billed promptly and collected as soon as reasonable, and shall prescribe and enforce rules and regulations or impose contractual obligations for the payment thereof, to the end that the Net Pledged Revenues shall be adequate to meet the requirements of this Ordinance and any other ordinance or instrument supplemental thereto. The rates, fees and charges shall be collected in any lawful manner.

Section 6.03. Competent Management. The Town shall employ experienced and competent management personnel for each component of the Marina System. If the Town shall fail to pay the Debt Service Requirements of the Bonds promptly as the same become due, or if the Town shall fail to keep any of the covenants herein contained, and if such default shall continue for a period of 60 days, or if in any Fiscal Year the Net Pledged Revenues, together with any other moneys legally available therefor and credited to the Marina System Fund, should fail to equal at least the amount of the Debt Service Requirements of the Bonds and other obligations payable from the Net Pledged Revenues due in the Comparable Bond Year, the Town shall retain a firm of competent management Persons skilled and knowledgeable in and having a favorable national reputation for the operation of marina facilities to assist in the management of the Marina System so long as such default or deficiency continues. Such management firm shall deliver to the Owners copies of such records and reports relating to the Marina System as the Owners shall request from time to time.

Section 6.04. Performance of Duties. The Town, acting by and through its officers, or otherwise, shall faithfully and punctually perform, or cause to be performed, all duties with respect to the Income and the Marina System required by the Constitution and laws of the State and the ordinances, resolutions and contracts of the Town, including without limitation the

proper segregation of the proceeds of the Series 2019 Bonds and the Income and their application from time to time to the respective funds provided therefor.

Section 6.05. Costs of Issuance of Series 2019 Bonds and of Performance. Except as otherwise specifically provided herein, all costs and expenses incurred in connection with the issuance of the Series 2019 Bonds, payment of the Debt Service Requirements, or the performance of or compliance with any covenant or agreement contained in this Ordinance shall be paid exclusively (but only from the appropriate special fund or account in the manner authorized herein) from the proceeds of the Series 2019 Bonds, the Net Pledged Revenues, or other legally available moneys, and in no event shall any of such costs or expenses be required to be paid out of or charged to the general fund of the Town.

Section 6.06. Contractual Obligations. The Town will perform all contractual obligations undertaken by it under its contract with the Owners and any other agreements relating to the Series 2019 Bonds, the Income or the Marina System. The Town will use its best reasonable efforts to perform all of its contractual obligations under and enforce all terms of any leases, contracts and other instruments with respect to the operation of the Marina System.

Section 6.07. Further Assurances. At any and all times the Town shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Net Pledged Revenues and other funds hereby pledged or assigned, or intended so to be, or which the Town may hereafter become bound to pledge or assign, or as may be reasonable and required to carry out the purposes of this Ordinance. The Town, acting by and through its officers, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Net Pledged Revenues and other funds and accounts pledged hereunder and all the rights of the Owners hereunder against all claims and demands of all Persons.

Section 6.08. Conditions Precedent. Upon the date of issuance of any of the Series 2019 Bonds, all conditions, acts and things required by the Constitution or laws of the United States of America, the Constitution or laws of the State, the Charter, the Code and this Ordinance to exist, to have happened and to have been performed precedent to or in the issuance of the Series 2019 Bonds shall exist, have happened and have been performed, and the Series 2019 Bonds, together with all other obligations of the Town, shall not contravene any debt or other limitation prescribed by the Constitution or laws of the United States of America, the Constitution or laws of the State, the Charter or the Code.

Section 6.09. Efficient Operation and Maintenance. The Town shall at all times operate the Marina System properly and in a sound and economical manner. The Town shall maintain, preserve and keep the Marina System properly or cause the same so to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the maintenance of the Marina System may be properly and advantageously conducted. All salaries, fees, wages and other

compensation paid by the Town in connection with the repair, maintenance and operation of the Marina System shall be fair and reasonable.

Section 6.10. Records and Accounts. The Town will keep proper books of record and account, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the funds referred to herein.

Section 6.11. Rules, Regulations and other Details. The Town, acting by and through its officers, shall establish and enforce reasonable rules and regulations governing the construction, operation, care, repair, maintenance, management, control and use of the Marina System. The Town shall observe and perform all of the terms and conditions contained in this Ordinance and shall comply with all valid acts, rules, regulations, orders and directives of any legislative, executive, administrative or judicial body applicable to the Marina System or the Town.

Section 6.12. Payment of Governmental Charges. The Town shall pay or cause to be paid all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the Marina System, or upon any part thereof, or upon any portion of the Income, when the same shall become due, and shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the Marina System, or any part thereof, except for any period during which the same are being contested in good faith by proper legal proceedings. The Town shall not create or suffer to be created any lien or charge upon the Marina System, or any part thereof, or upon the Income, except the pledge and lien created by this ordinance for the payment of the Debt Service Requirements due in connection with the Series 2019 Bonds, and except as herein otherwise permitted. The Town shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within 90 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Marina System, or any part thereof, or the Income, but nothing herein requires the Town to pay or to cause to be discharged or to make provision for any such tax, assessment, lien or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Section 6.13. Protection of Security. The Town, its officers, agents and employees, shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Debt Service Requirements of the Series 2019 Bonds or any other Securities payable from the Net Pledged Revenues according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of the Owners or the Owner of any other Securities payable from the Net Pledged Revenues might be prejudicially and materially impaired or diminished.

Section 6.14. Accumulation of Interest Claims. In order to prevent any accumulation of claims for interest after maturity, the Town shall not directly or indirectly extend or assent to the extension of the time for the payment of any claim for interest on any of the Series 2019 Bonds or any other Securities payable from the Net Pledged Revenues; and the Town shall not directly or indirectly be a party to or approve any arrangements for any such extension or for the purpose of keeping alive any of such claims for interest. If the time for the payment of any such installment of interest is extended in contravention of the foregoing provisions, such installment

or installments of interest after such extension or arrangement shall not be entitled in case of default hereunder to the benefit or the security of this Ordinance, except upon the prior payment in full of the principal of the Series 2019 Bonds and any such Securities the payment of which has not been extended.

Section 6.15. Prompt Payment of Series 2019 Bonds. The Town shall promptly pay the Debt Service Requirements of the Series 2019 Bonds at the places, on the dates and in the manner specified herein and in the Series 2019 Bonds according to the true intent and meaning hereof.

Section 6.16. Use of Principal and Interest Account, Series 2019 Debt Service Reserve Account and Surplus Account. The Principal and Interest Account, the Series 2019 Debt Service Reserve Account and the Surplus Account shall be used solely and only for the purpose of paying the Debt Service Requirements of Parity Bonds (or, in the case of the Series 2019 Debt Service Reserve Account and Surplus Account, the Series 2019 Bonds) to their respective maturities or any Redemption Date or Redemption Dates on which the Town is obligated to redeem such Parity Bonds or Series 2019 Bonds, subject to Article VII hereof (and subject to the provisions of Section 3.11 hereof permitting the additional use, at the sole discretion of the Town, of moneys on deposit in the Surplus Account to pay Costs of the Project, Operation and Maintenance Expenses and payments to fund the Excess Investment Earnings Account.

Section 6.17. Additional Securities. The Town shall not hereafter issue any Bonds or Securities relating to the System and payable from the Net Pledged Revenues, other than the Series 2019 Bonds, without compliance with the requirements with respect to the issuance of Parity Bonds or other Securities set forth herein to the extent applicable.

Section 6.18. Other Liens. At the time of issuance of the Series 2019 Bonds, there shall be no liens or encumbrances of any nature whatsoever on or against the System or any part thereof or on or against the Net Pledged Revenues, except as expressly provided by this Ordinance, or a Final Terms Certificate.

Section 6.19. Surety Bonds. Each official or other person having custody of the Income or responsible for its handling, shall be fully bonded at all times, which bond shall be conditioned upon the proper application of said moneys. The cost of each such bond shall be considered an Operation and Maintenance Expense, unless otherwise provided by law.

Section 6.20. Federal Income Tax Covenants and Representations. In addition to the various covenants made by it in this Ordinance, the Town covenants to and for the benefit of the Owners that it shall at all times do and perform the acts and things necessary or desirable to assure that interest paid on the Series 2019 Bonds shall be excluded from gross income for federal income tax purposes. The Town will not make or permit to be made any use of the original proceeds of the Series 2019 Bonds, or of any moneys treated as proceeds of the Series 2019 Bonds under the Tax Code and applicable regulations, rulings and decisions, or take, permit to be taken or fail to take any action which would adversely affect the exclusion from gross income of the interest on the Series 2019 Bonds under the Tax Code and applicable regulations, rulings and decisions. The Mayor, the Clerk and the Finance Director are authorized

to execute and deliver all such additional certificates, covenants or agreements as reasonably necessary to implement and comply with the foregoing covenant.

The Town hereby designates the Series 2019 Bonds as qualified tax exempt obligations within the meaning of Section 265(b)(3) of the Tax Code. The Town covenants that the aggregate face amount of all tax-exempt obligations issued by the Town, together with governmental entities which derive their issuing authority from the Town or are subject to substantial control by the Town, are not reasonably expected to be more than \$10,000,000 during calendar year 2019.

Section 6.21. Disposition of Property. Except for the use of the System and services pertaining thereto in the ordinary course of business, no part of the System shall be sold, leased, mortgaged, pledged, encumbered or otherwise disposed of or otherwise alienated until the Series 2019 Bonds have been paid in full, or unless provision has been made therefor, or until the Series 2019 Bonds have otherwise been redeemed; provided, however, that the Town may sell, exchange or lease at any time and from time to time any property or facilities constituting part of the System and not needed in the construction, reconstruction or operation thereof; but any proceeds of any such sale or exchange received and not used to replace such property so sold or exchanged shall be deposited in the Marina System Fund, and any proceeds of any such lease received shall be deposited by the Town as Income of the Marina System. Notwithstanding the provisions of this Section 6.21, the Town may dispose of any facilities constituting a part of the System; provided that (a) at the time of such disposition such facility has not produced Income at least equal to the Operation and Maintenance Expenses reasonably allocable to it for a period of at least one full fiscal year; and (b) such disposition will not, in the opinion of Bond Counsel, have a material adverse effect upon the federal income tax treatment of interest on the Series 2019 Bonds. The expiration or termination of a lease, license, management agreement or similar arrangement under which the Town operates a marina facility owned by another Person shall not be deemed to be a disposition of property for purposes of this Section 6.21.

Section 6.22. Loss from Condemnation. If any part of the System is taken by the exercise of a power of eminent domain, the amount of any award received by the Town as a result of such taking shall be expended upon the Improvement of the System or shall be applied to the pro rata redemption or defeasance of the Outstanding Parity Bonds in accordance with the provisions hereof and of any other instrument pertaining to the issuance of any such Parity Bonds at maturity or prior thereto if the authorizing ordinances authorize the prior redemption of such securities, or shall be deposited in the Marina System Fund and held as a reserve for expenditure subsequently upon such capital improvements, or any combination thereof, as the Council may determine.

Section 6.23. Inspection of Records. The Owners or any Owner of any other Securities payable from the Net Pledged Revenues, or their duly authorized agent or agents, shall have the right at all reasonable times to inspect all records, accounts and data relating thereto, concerning the System or the Income, to make copies of such records, accounts and data at the Owner's or such Owners' expense, and to inspect the System and properties comprising the System.

Section 6.24. Audits Required. The Town, annually following the close of each Fiscal Year, shall order an audit for the Fiscal Year of the books and accounts pertaining to the System

to be made forthwith by an Independent Accountant, and order an audit report showing the receipts and disbursements for each fund or account pertaining to the System or the Income. All expenses incurred in the making of the audits and reports required by this Section may be regarded and paid as an Operation and Maintenance Expense. The Town shall deliver to the Owners, promptly after the receipt thereof, copies of all such audits and reports.

Section 6.25. Insurance and Reconstruction. Except to the extent that the Town elects to insure itself, the Town shall at all times maintain with responsible insurers all such insurance reasonably required and obtainable within limits and at costs deemed reasonable by the Town as is customarily maintained with respect to marina facilities of like character against loss of or damage to the System and against public and other liability to the extent at least reasonably necessary to protect the interest of the Town and of the Owners and the Owner of any other Security payable from the Net Pledged Revenues, except as herein otherwise provided. If any revenue generating part of the System shall be damaged or destroyed, the Town shall, as expeditiously as possible, commence and diligently proceed with the repair or replacement of the damaged or destroyed property so as to restore the same to use; provided that no such repair or replacement shall be required if the Town shall determine in good faith that the damaged or destroyed property was not, prior to such damage or destruction, materially contributing to the Net Pledged Revenues. The proceeds of any insurance appertaining to the System shall be payable to the Town and (except for proceeds of use and occupancy insurance) shall be applied to the necessary costs involved in such repair and replacement, and to the extent not so applied shall (together with the proceeds of any such use and occupancy insurance) be deposited in the Marina System Fund as Income. If the costs of such repair and replacement of the damaged or destroyed property exceed the proceeds of such property insurance available for payment of the same, moneys in the Marina System Fund shall be used to the extent necessary for such purpose, as permitted by Section 3.08 hereof.

ARTICLE VII

DEFEASANCE

When all Debt Service Requirements of the Series 2019 Bonds have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the Series 2019 Bonds shall no longer be deemed to be Outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment when the Town has placed in escrow or in trust with a Trust Bank, located within or without the State, cash or Federal Securities in an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to pay all Debt Service Requirements of the Series 2019 Bonds, as the same become due at their maturity date or upon any Redemption Date as of which the Town shall have exercised or shall have obligated itself to exercise its option to call the Series 2019 Bonds for prior redemption. The Federal Securities shall become due prior to the respective times at which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Town and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the Owner thereof to assure such availability as so needed to meet such schedule. Nothing herein shall be construed to prohibit a partial defeasance of the Series 2019 Bonds in accordance with the provisions of this Article VII.

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Events of Default. Each of the following events is hereby declared to be and to constitute an Event of Default:

(a) ***Nonpayment of Principal.*** Payment of the principal of the Series 2019 Bonds or any other Parity Bond is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption, or otherwise;

(b) ***Nonpayment of Interest.*** Payment of any installment of interest on the Series 2019 Bonds or any other Parity Bond is not made when the same becomes due and payable;

(c) ***Incapacity to Perform.*** The Town for any reason becomes incapable of fulfilling its obligations hereunder;

(d) ***Nonperformance of Duties.*** The Town shall have failed to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Income or to the Marina System or otherwise, including, without limitation, this Ordinance or the ordinance authorizing any other issue of Parity Bonds, and such failure shall continue for 60 days after receipt of notice from the Owners of 25% in aggregate principal amount of the Parity Bonds then Outstanding; provided that if such failure cannot be cured within such 60 days and if during that period corrective action has commenced to remedy such failure and subsequently is diligently pursued by the Town to the completion of such performance, an Event of Default shall not be deemed to have occurred;

(e) ***Failure to Reconstruct.*** The Town discontinues or unreasonably delays or fails to carry out with reasonable dispatch the reconstruction of any essential part of the Marina System which is condemned, destroyed or damaged and is not promptly repaired or replaced (whether such failure to repair the same is due to impracticality of such repair or replacement, or is due to a lack of moneys therefor, or for other reason);

(f) ***Appointment of Receiver.*** An order or decree is entered by a court of competent jurisdiction, with the consent or acquiescence of the Town, appointing a receiver or receivers for the Marina System or for the Income and any other moneys subject to the lien to secure the payment of the Series 2019 Bonds or any other Parity Bond, or both the Marina System and such moneys, or if any order or decree, having been entered without the consent or acquiescence of the Town, is not vacated or discharged or stayed on appeal within 60 days after entry; and

(g) ***Default of Any Provision.*** The Town defaults in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions on its part to be performed, contained in the Series 2019 Bonds or any Parity Bond, or in this Ordinance or the ordinance authorizing any issue of Parity Bonds,

and if such default continues for 60 days after written notice, specifying such default and requiring the same to be remedied, is given to the Town by the Owners of 25% in aggregate principal amount of the Parity Bonds then Outstanding; provided that if such failure cannot be cured within such 60 days and if during that period corrective action has been commenced to remedy such default and subsequently is diligently pursued to the completion of such performance, an Event of Default shall not be deemed to have occurred.

Section 8.02. Remedies for Defaults. Upon the happening and continuance of any of the Events of Default in Section 8.01 hereof, then and in every case the Owner or Owners of not less than 25% in aggregate principal amount of the Parity Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the Town and its agents, officers and employees to protect and to enforce the rights of any Owner of Parity Bonds under this Ordinance or the ordinance authorizing any other issue of Parity Bonds by mandatory injunction or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or an operating trustee or for the specific performance of any covenant or agreement contained herein or for any proper legal or equitable remedy as such Owner or Owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any such Owner or Owners, or to require the Town to act as if it were the trustee of an express trust, or any combination of such remedies or as otherwise may be authorized by any statute or other provision of law. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of Parity Bonds then Outstanding. Any receiver or operating trustee appointed in any proceedings to protect the rights of such Owners hereunder or under the ordinance authorizing any other issue of Parity Bonds may collect, receive and apply all Income arising after the appointment of such receiver or operating trustee in the same manner as the Town itself might do. The consent to any such appointment is hereby expressly granted by the Town.

Section 8.03. Rights and Privileges Cumulative. The failure of any Owner of any Outstanding Parity Bond to proceed in any manner herein provided shall not relieve the Town or any of its officers, agents or employees of any liability for failure to perform to carry out any duty, obligation or other commitment. Each right or privilege of any such Owner or trustee therefor is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any such Owner shall not be deemed a waiver of any other right or privilege thereof. Each such Owner shall be entitled to all of the privileges, rights and remedies provided or permitted in this Ordinance and as otherwise provided or permitted by law or in equity or by statute, except as provided in Sections 10.02 and 10.03 hereof, and subject to the applicable provisions concerning the Income and the proceeds of the Series 2019 Bonds. Nothing herein affects or impairs the right of any such Owner to enforce the payment of the Debt Service Requirements due in connection with such Owner's Securities or the obligation of the Town to pay the Debt Service Requirements of each Security to the Owner thereof at the time and the place expressed in such Security.

Section 8.04. Duties Upon Default. Upon the happening of any of the Events of Default as provided in Section 8.01 hereof, the Town, in addition, will do and perform all proper acts on behalf of and for the Owners of the Outstanding Parity Bonds to protect and to preserve

the security pledged for the payment of their Parity Bonds and to ensure the payment of the Debt Service Requirements promptly as the same become due. During any period of default, so long as any Parity Bonds, as to any Debt Service Requirements, are Outstanding, except to the extent it may be unlawful to do so, all Net Pledged Revenues shall be paid into the Principal and Interest Account on an equitable and prorated basis, and used for the purposes therein provided. If the Town fails or refuses to proceed as in this Section 8.04 provided, the Owner or Owners of not less than 25% in aggregate principal amount of the Parity Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of the Outstanding Parity Bonds as hereinabove provided; and to that end any such Owners of the Outstanding Parity Bonds shall be subrogated to all rights of the Town under any agreement or contract involving the Net Pledged Revenues entered into prior to the effective date of this Ordinance or thereafter while any of the Parity Bonds are Outstanding. Nothing herein requires the Town to proceed as provided herein if it determines in good faith and without any abuse of its discretion that if it so proceeds it is more likely than not to incur a net loss rather than a net gain or that such action is likely to affect materially and prejudicially the Owners of any Outstanding Parity Bonds.

Section 8.05. Evidence of Security Owners. Any request, consent or other instrument which this Ordinance may require or may permit to be signed and to be executed by the Owners or the Owner of any other Securities may be in one instrument or more than one instrument of similar tenor and shall be signed or may be executed by each Owner in person or by his attorney appointed in writing. Proof of the execution of any such instrument or of any instrument appointing any such attorney, or the Ownership by any Person of the Securities, shall be sufficient for any purpose of this ordinance (except as otherwise herein expressly provided) if made in the following manner:

(a) ***Proof of Execution.*** The fact and the date of the execution by any Owner of the Series 2019 Bonds or other Securities or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of any officer of a bank or trust company satisfactory to the Registrar or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the individual signing such request or other instrument acknowledged to him the execution, duly sworn to before such notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate Owner of any Securities may be established without further proof if such instrument is signed by an individual purporting to be the president or vice-president of such corporation with the corporate seal affixed and attested by an individual purporting to be its secretary or an assistant secretary; and the authority of any Person or Persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if such instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity.

(b) ***Proof of Ownership.*** The amount of Securities owned by any Person executing any instrument as an Owner, and the numbers, date and other identification thereof, together with the date of his Ownership of the Securities, shall be determined from the registration books of the Town. The amount of other securities, if applicable, owned by any Person executing any instrument as an Owner of such Securities, and the

numbers, date and other identification thereof, shall be determined from the related registration books; but the Registrar may nevertheless in its discretion require further or other proof in cases where it deems the same advisable.

ARTICLE IX

AMENDMENT OF ORDINANCE

Section 9.01. Amendments of Ordinance Not Requiring Consent of Parity Bond Owners. The Town may, without the consent of, or notice to, the Owners of the Outstanding Parity Bonds, adopt ordinances amendatory or supplemental hereto (which amendments or supplements shall thereafter form a part hereof) for any one or more or all of the following purposes:

- (a) to cure or correct any formal defect, ambiguity or inconsistent provision contained in this Ordinance;
- (b) to appoint successors to the Paying Agent, Registrar or Transfer Agent;
- (c) to designate a trustee for the Owners of the Outstanding Parity Bonds, to transfer custody and control of the Income to such trustee, and to provide for the rights and obligations of such trustee;
- (d) to add to the covenants and agreements of the Town or the limitations and restrictions on the Town set forth herein;
- (e) to pledge additional revenues, properties or collateral to the payment of the Outstanding Parity Bonds;
- (f) to cause this Ordinance to comply with the Trust Indenture Act of 1939, as amended from time to time; or
- (g) to effect any such other changes hereto which do not materially adversely affect the interests of the Owners of the Outstanding Parity Bonds.

The Owners shall receive notice of the adoption of any amendment pursuant to this Section 9.01.

Section 9.02. Amendment of Ordinance Requiring Consent of Owners. Exclusive of the amendatory ordinances covered by Section 9.01 hereof, this Ordinance may be amended or modified by ordinances or other instruments duly adopted by the Town Council, without receipt by it of any additional consideration, but with the written consent of the Owners of 66% in aggregate principal amount of the Parity Bonds then Outstanding at the time of the adoption of such amendatory ordinance; provided that no such amendatory ordinance shall permit, without the consent of the Owner of the Parity Bond or Bonds affected thereby:

- (a) ***Changing Payment.*** A change in the maturity or in the terms of redemption of the principal of any Parity Bond or any installment of interest thereon;

(b) ***Reducing Return.*** A reduction in the principal amount of any Parity Bond or the rate of interest thereon;

(c) ***Prior Lien.*** The creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by this Ordinance;

(d) ***Modifying Amendment Terms.*** A reduction of the principal amount or percentages of the Outstanding Parity Bonds, or any modification otherwise affecting the description of any Parity Bonds, or otherwise changing the consent of the Owners of Parity Bonds, which may be required herein for any amendment hereto;

(e) ***Priorities Between Issues of Parity Bonds.*** The establishment of priorities as between the Series 2019 Bonds or any other Parity Bonds under the provisions of this Ordinance or any other ordinance authorizing Parity Bonds; or

(f) ***Partial Modification.*** Any modifications otherwise materially and prejudicially affecting the rights or privileges of the Owners of less than all of the Parity Bonds then Outstanding.

Whenever the Council proposes to amend or modify this Ordinance under the provisions of this Section 9.02 it shall give notice of the proposed amendment by mailing such notice to the Owners or to any successor thereof known to the Town Clerk and to all Owners of Parity Bonds, if applicable, and to the Owners at the addresses appearing on the registration books of the Town, or by electronic means to DTC or its successors. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory ordinance or other instrument is on file in the office of the Town Clerk for public inspection.

Section 9.03. Time for and Consent to Amendment. Whenever at any time within one year from the date of the completion of the notice required to be given by Section 9.02 hereof there shall be filed in the office of the Town Clerk an instrument or instruments executed by the Owners of at least 66% in aggregate principal amount of the Outstanding Parity Bonds, which instrument or instruments shall refer to the proposed amendatory ordinance or other instrument described in such notice and shall specifically consent to and approve the adoption of such ordinance or other instrument, thereupon, but not otherwise, the Council may adopt such amendatory ordinance or instrument and such ordinance or instrument shall become effective. If the Owners of at least 66% in aggregate principal amount of the Outstanding Parity Bonds, at the time of the adoption of such amendatory ordinance or instrument, or the predecessors in title of such Owners, shall have consented to and approved the adoption thereof as herein provided, no Owner of any Parity Bond, whether or not such Owner shall have consented to or shall have revoked any consent as herein provided, shall have any right or interest to object to the adoption of such amendatory ordinance or other instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the Town from taking any action pursuant to the provisions thereof. Any consent given by the Owner of a Parity Bond pursuant to the provisions hereof shall be irrevocable for a period of six months from the date of the completion of the notice above provided for and shall be conclusive and binding upon all future Owners of the same Parity Bond during such period. Such consent may be revoked at any time after six months from the completion of such notice, by the Owner who gave such consent

or by a successor in title, by filing notice of such revocation with the Town Clerk, but such revocation shall not be effective if the Owners of 66% in aggregate principal amount of the Outstanding Parity Bonds, prior to the attempted revocation, shall have consented to and approved the amendatory instrument referred to in such revocation.

Section 9.04. Unanimous Consent. Notwithstanding anything in the foregoing provisions contained, the terms and the provisions of this Ordinance, or of any ordinance or instrument amendatory thereof, and the rights and the obligations of the Town and of the Owners of the Outstanding Parity Bonds may be modified or amended in any respect upon the adoption by the Town and upon the filing with the Town Clerk of an instrument to that effect and with the consent of the Owners of all the then Outstanding Parity Bonds, such consent to be given in the manner provided in Section 9.03 hereof; and no notice to Owners of Outstanding Parity Bonds shall be required as provided in Section 9.02 hereof, nor shall the time of consent be limited except as may be provided in such consent.

Section 9.05. Exclusion of Securities. At the time of any consent or other action taken hereunder the Registrar shall furnish to the Town Clerk a certificate, upon which the Town Clerk may rely, describing all Parity Bonds to be excluded for the purpose of consent or other action or any calculation of Outstanding Securities provided for hereunder, and, with respect to such excluded Securities, the Town shall not be entitled or required with respect to such Securities to give or obtain any consent or to take any other action provided for hereunder.

Section 9.06. Notation on Series 2019 Bonds. Any certificate evidencing the Series 2019 Bonds delivered after the effective date of any action taken as provided in Section 9.01, 9.02 or 9.04 or certificate evidencing the Series 2019 Bonds Outstanding at the effective date of such action, may bear a notation thereon by endorsement or otherwise in form approved by the Council as to such action; and if any such certificate evidencing the Series 2019 Bonds so executed and delivered after such date does not bear such notation, then upon demand of the Owners at such effective date and upon presentation of the certificate evidencing the Series 2019 Bonds for such purpose at the principal office of the Town, suitable notation shall be made on the certificate evidencing the Series 2019 Bonds by the Town Clerk as to any such action. If the Council so determines, a new Series 2019 Bonds so modified as in the opinion of the Council to conform to such action shall be prepared, executed and delivered; and upon demand of the Owners, shall be exchanged without cost to such Owners for the certificate outstanding upon surrender of such Outstanding certificate.

Section 9.07. Proof of Instruments and Bonds. The fact and date of execution of any instrument under the provisions of this Article IX, the amount of Securities owned by any Person executing such instrument, and the date of their registering the same may be proved as provided by Section 8.05 hereof.

ARTICLE X

MISCELLANEOUS

Section 10.01. Sale of Series 2019 Bonds. The Series 2019 Bonds shall be sold in the manner provided by the Charter for the sale of Town bonds, and, upon compliance with the

procedure provided in the Charter concerning negotiated sales of bonds, may be sold to the Underwriter at negotiated sale at a price, to be determined by Final Terms Certificate, not less than 97% of their principal amount plus accrued interest, if any, to the date of their delivery to the Underwriter.

Section 10.02. Character of Agreement. None of the covenants, agreements, representations or warranties contained herein or in the Series 2019 Bonds shall ever impose or be construed as imposing any liability, obligation or charge against the Town (except for the special funds pledged therefor) or against the general credit of the Town payable out of general funds or out of any funds derived from general property taxes.

Section 10.03. No Pledge of Property. The payment of the Series 2019 Bonds is not secured by an encumbrance, mortgage or other pledge of property of the Town except for the Net Pledged Revenues. No property of the Town, subject to such exception with respect to the Net Pledged Revenues, is pledged for the payment of the Series 2019 Bonds or shall be liable to be forfeited to taken in payment of the Series 2019 Bonds.

Section 10.04. Statute of Limitations. No action or suit based upon any Series 2019 Bonds or other obligation of the Town shall be commenced after it is barred by any statute of limitations pertaining thereto. Any trust or fiduciary relationship between the Town and the Owners or the obligee regarding any such obligation shall be conclusively presumed to have been repudiated on the maturity date or other due date thereof unless the Series 2019 Bonds is presented for payment or demand for payment of such other obligation is otherwise made before the expiration of the applicable limitation period. Any moneys from whatever source derived remaining in any fund or account reserved, pledged or otherwise held for the payment of any such obligation, action or suit, the collection of which has been barred, shall revert to the Marina System Fund, unless the Council shall otherwise provide by ordinance. Nothing herein prevents the payment of any such Series 2019 Bonds or other obligation after an action or suit for its collection has been barred if the Council in its absolute discretion deems it in the best interests of the Town or the public so to do and orders such payment to be made.

Section 10.05. Delegated Duties. The officers of the Town are hereby authorized and directed to enter into such agreements and take all action necessary or appropriate to effectuate the provisions of this Ordinance and to comply with the requirements of law, including, without limitation:

(a) ***Preparation of Series 2019 Bonds.*** The preparation of the Series 2019 Bonds, including the attachment thereto of a copy of the approving legal opinion of Kutak Rock LLP, bond counsel, duly certified by the Registrar;

(b) ***Execution, Registration and Delivery of Bonds.*** The execution and registration of the Series 2019 Bonds and the delivery of the Series 2019 Bonds to the Underwriter pursuant the provisions of this Ordinance, and in connection therewith the execution and delivery of any reasonably related documents including without limitation the Bond Purchase Agreement;

(c) **Information.** The assembly and dissemination of financial and other information concerning the Town and the Series 2019 Bonds including preparation and delivery of a preliminary and final official statement;

(d) **Closing Certificates.** The execution of such certificates as may be reasonably required by the Underwriter, relating, among other things, to:

(i) the signing of the Series 2019 Bonds;

(ii) the tenure and identity of the officials of the Town;

(iii) if in accordance with fact, the accuracy and completeness of the information in the final official statement and the absence of litigation, pending or threatened, affecting the validity of the Series 2019 Bonds;

(iv) the excludability of interest on the Series 2019 Bonds from gross income for federal and State income tax purposes; and

(v) the delivery of the Series 2019 Bonds and the receipt of the purchase price thereof.

(e) **Official Statement.** The draft Preliminary Official Statement for the Series 2019 Bonds presented to Council prior to final adoption of this Ordinance is on file in the office of the Town Clerk. The Preliminary Official Statement, in substantially the form so presented, is hereby deemed by the Town to be a “nearly final official statement” for purposes of Securities and Exchange Commission Rule 15c2-12. The distribution and use by the Underwriter, for the reoffering of the Series 2019 Bonds to the public, of the final Official Statement (the “Official Statement”) in substantially the form of the Preliminary Official Statement, but with such amendments, additions and deletions as are consistent with the facts is hereby authorized and approved, and the Mayor is authorized to sign the final Official Statement on behalf of the Town.

Section 10.06. Successors. Whenever herein the Town is named or is referred to, such provision shall be deemed to include any successors of the Town, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of and other provisions for the benefit of the Town contained herein shall bind and inure to the benefit of any officer, board, district, commission, authority, agency, instrumentality or other Person or Persons to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Town or of its respective successors, if any, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

Section 10.07. Rights and Immunities. Except as herein otherwise expressly provided, nothing herein expressed or implied is intended or shall be construed to confer upon or to give to any Person, other than the Town and the Owners, any right, remedy or claim under or by reason hereof or of any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by or on behalf of the Town shall be for the sole and exclusive benefit of the Town and the Owners.

No recourse shall be had for the payment of the Debt Service Requirements of the Series 2019 Bonds or for any claim based thereon or otherwise upon this Ordinance authorizing their issuance or any other ordinance or instrument pertaining thereto, against any individual member of the Council, or any officer or other agent of the Town, past, present or future, either directly or indirectly through the Town, or otherwise, whether by virtue of any constitution, statute or rule of law or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Series 2019 Bonds and as a part of the consideration of its issuance specially waived and released by the Owners.

Section 10.08. Ratification. All action not inconsistent with the provisions of this Ordinance heretofore taken by the Town or its officers, and otherwise by the Town directed toward the Project and the issuance of the Series 2019 Bonds is hereby ratified, approved and confirmed.

Section 10.09. Facsimile Signatures. Pursuant to the Uniform Facsimile Signature of Public Officials Act, Part 1 of Article 55 of Title 11, Colorado Revised Statutes, as amended, the Mayor and the Town Clerk shall forthwith, and in any event prior to the time the Series 2019 Bonds are delivered to the Owners, file with the Colorado Secretary of State their manual signatures certified by them under oath.

Section 10.10. Ordinance Irrepealable. This Ordinance is, and shall constitute, a legislative measure of the Town and after the Series 2019 Bonds are issued, this Ordinance shall constitute an irrevocable contract between the Town and the Owners; and this Ordinance, subject to the provisions of Articles VII and IX hereof, if the Series 2019 Bonds is in fact issued, shall be and shall remain irrepealable until the Series 2019 Bonds, as to all Debt Service Requirements, shall be fully paid, cancelled and discharged, as herein provided.

Section 10.11. Repealer of Measures. All acts, orders, resolutions, ordinances or parts thereof, in conflict with this Ordinance or with any of the documents hereby approved, are hereby repealed only to the extent of such conflict. This repealer shall not be construed as reviving any resolution, ordinance, or part thereof heretofore repealed.

Section 10.12. Severability. If any section, paragraph, clause or provision of this Ordinance or the Series 2019 Bonds 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.

Section 10.13. Effective Date. This Ordinance shall take effect 5 days after publication following final passage, and shall expire by its terms to the extent that the Series 2019 Bonds are not executed and delivered by December 31, 2019

Section 10.14. Publication by Reference. Pursuant to Section 3-9(f) of the Charter, this Ordinance may be published by title, with a notice that copies of this Ordinance are available at the office of the Town Clerk following second reading.

Section 10.15. Disposition of Ordinance. Pursuant to Section 3-9(g) of the Charter, following its adoption this Ordinance shall be signed by the Mayor and attested by the Town Clerk, and affidavits of publication shall be retained with the Ordinance in the Town's records.

INTRODUCED, READ, AND ORDERED PUBLISHED this ____ day of JANUARY,
2019.

PASSED AND ORDERED PUBLISHED BY REFERENCE ____ day of _____,
2019.

[SEAL]

By _____
Gary Wilkinson, Mayor

Attest:

By _____
Deborah Wohlmuth, Town Clerk

Approved as to Form:

By _____
Thad Renaud, Town Attorney

**NEW ISSUE – BOOK-ENTRY ONLY
BANK QUALIFIED****NOT RATED**

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2019 Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Series 2019 Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. The Town has designated the Series 2019 Bonds as “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. For a more detailed description of such opinions of Bond Counsel, see “TAX MATTERS” herein.

\$5,630,000*

Town of Frisco, Colorado
acting by and through its
Marina Enterprise
Marina Enterprise Revenue Bonds
Series 2019

Dated: Date of Delivery**Due: December 1, as shown below**

The Series 2019 Bonds are issued as fully registered bonds in book-entry form only in denominations of \$_____ or integral multiples thereof. The Series 2019 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), securities depository for the Series 2019 Bonds. Individual purchases will be made in book-entry-only form in authorized denominations. Purchasers, as Beneficial Owners, will not receive certificates evidencing their interest in the Series 2019 Bonds. Interest on the Series 2019 Bonds is payable [June 1, 2019] and semiannually thereafter each December 1 and June 1 until maturity.

<u>Year (December 1)</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP®</u>	<u>Year (December 1)</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP®</u>
2021	\$75,000	%	%		2035	\$190,000	%	%	
2022	80,000				2036	200,000			
2023	90,000				2037	210,000			
2024	95,000				2038	225,000			
2025	100,000				2039	240,000			
2026	110,000				2040	250,000			
2027	115,000				2041	265,000			
2028	125,000				2042	280,000			
2029	130,000				2043	295,000			
2030	140,000				2044	315,000			
2031	150,000				2045	330,000			
2032	160,000				2046	350,000			
2033	170,000				2047	370,000			
2034	180,000				2048	390,000			

The Series 2019 Bonds are issued in the name of the Marina Enterprise of the Town for the purposes of (i) financing the construction of improvements to the Town’s Marina serving Dillon Reservoir, as described herein, and (ii) paying the costs of issuance of the Series 2019 Bonds.

The Series 2019 Bonds are special and limited obligations of the Town, acting by and through the Enterprise, payable solely from and secured by an irrevocable pledge of and first lien (but not necessarily an exclusive first lien) upon the net income and revenue to be derived from the operation of the System, after payment of all necessary and proper costs of efficient operation and maintenance thereof. See “THE SERIES 2019 BONDS—Security and Flow of Funds.” The Series 2019 Bonds are not general obligations of the Town, and are not payable in whole or in part from the proceeds of general property taxes or any other form of taxation.

The Series 2019 Bonds are subject to redemption prior to maturity as described herein.

The Series 2019 Bonds do not have a credit rating from any source and are not suitable investments for all investors. Each prospective purchaser is responsible for assessing the merits and risks of an investment in the Series 2019 Bonds and must be able to bear the economic risk of such investment in the Series 2019 Bonds.

This cover page is not a summary of the issue. Investors should read the Official Statement in its entirety to make an informed investment decision.

The Series 2019 Bonds are offered when, as, and if issued by the Town and accepted by the Underwriter named below, subject to prior sale, the approval of validity by Kutak Rock LLP, Denver, Colorado, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Town by Murray Dahl Beery Renaud LLP, Denver, Colorado, as Town Attorney. Delivery of the Series 2019 Bonds through DTC in New York, New York, is expected on or about February __, 2019.

George K. Baum & Company

The date of this Official Statement is February __, 2019.

* Preliminary; subject to change.

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No dealer, salesman, or other person has been authorized to give any information or to make any representation with respect to the Series 2019 Bonds which is not contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Town. The information in this Official Statement is subject to change and neither the delivery of this Official Statement nor any sale made after any such delivery shall, under any circumstances, create any implication that there has been no change since the date of this Official Statement. This Official Statement shall not constitute an offer to sell or the solicitation of any offer to buy, and there shall be no sale of any of the Series 2019 Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE HAS APPROVED OR DISAPPROVED THE SERIES 2019 BONDS OR THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

SUMMARY OF THE OFFICIAL STATEMENT

- The Town** The Town of Frisco, Colorado (the “Town”) is a home-rule municipality and political subdivision of the State of Colorado (the “State”). The Town covers approximately two square miles and currently has an estimated permanent population of approximately 3,000. The Town’s 2018 certified assessed valuation for property tax purposes is \$_____. See “THE TOWN.
- The Series 2019 Bonds** The Marina Enterprise Revenue Bonds, Series 2019, in the aggregate principal amount of \$5,630,000* are issued by the Town, acting by and through its Marina Enterprise, and will be delivered in book-entry form only through the facilities of The Depository Trust Company, New York, New York.
- Security** The Series 2019 Bonds are special and limited obligations of the Town, acting by and through the Marina Enterprise (the “Marina Enterprise” or the “Enterprise”), payable solely out of and secured by an irrevocable pledge of and first lien (but not necessarily an exclusive first lien) upon the net income and revenue to be derived by the Town from the operation of its Marina after payment of all necessary and proper costs of efficient operation and maintenance of the Marina. See “THE SERIES 2019 BONDS—Security and Flow of Funds.” The Series 2019 Bonds are not general obligations of the Town and are not payable in whole or in part from the proceeds of general property taxes.
- Prior Redemption**..... The Series 2019 Bonds are subject to redemption prior to maturity as described herein. See “THE SERIES 2019 BONDS—Prior Redemption.”
- The Enterprise**..... The Enterprise is a Town-owned business which has historically operated the Marina on a substantially self-supporting basis. The Town Council of the Town is the governing body of the Enterprise. See “THE ENTERPRISE.”
- The Marina** The Frisco Bay Marina (the “Marina”) is operated by the Enterprise and includes boating maintenance and repair facilities, an administrative building and retail store, the Island Grill Restaurant, ramps, docks and storage facilities. The Marina is open to the public, weather depending, generally during summer months, however storage and repair facilities are available year-round. See “THE SYSTEM.”
- The Project** The Series 2019 Bonds are issued for the purpose of financing the construction of capital improvements to the Marina as described herein and paying the costs associated with issuing the Series 2019 Bonds. See “USE OF PROCEEDS—The Project.”
- Purpose of the Project** The completion of the Project is anticipated to address the increasing demand for access to the Marina, increase user capacity of System facilities and enhance visitor experience. [Enterprise management

* Preliminary; subject to change.

currently expects the completed Project to nearly double the Marina’s current capacity]. See “USE OF PROCEEDS–The Project.”

Constitutional Limitations

On Taxes, etc. In 1992 the Colorado Constitution was amended to impose substantial limitations, including voter approval requirements, upon the revenues, borrowing, spending and taxes of the State and local governments. The Series 2019 Bonds are permitted to be issued without voter approval under the provisions of such amendment which exclude “enterprises” and their bonds from such limitations. See “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING.”

Tax Treatment of Interest

on the Series 2019 Bonds In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2019 Bonds (including any original issue discount properly allocable to the owner of a Series 2019 Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Series 2019 Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. The Town has designated the Series 2019 Bonds as “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. For a more detailed description of such opinions of Bond Counsel, see “TAX MATTERS” herein.

Professional Services..... The professional firms participating in the initial offering of the Series 2019 Bonds are as follows:

Underwriter: George K. Baum & Company
1400 Wewatta Street
Suite 800
Denver, CO 80202
Telephone: (303) 292-1600

Bond Counsel: Kutak Rock LLP
Suite 3000
1801 California Street
Denver, CO 80202
Telephone: (303) 297-2400

Additional Information;

Secondary Market

Disclosure..... Additional information concerning the Town, the Enterprise, the System and the Series 2019 Bonds may be obtained from the Finance Director, 1

East Main Street, Frisco, Colorado 80443, Telephone: (970) 668-9138 or from the Underwriter at the respective addresses and telephone numbers shown above. Pursuant to the requirements of Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (the “Rule”), the Town has agreed for the benefit of the owners of the Series 2019 Bonds to provide certain financial information, other operating data and notices of material events after the Series 2019 Bonds are issued (the “Continuing Disclosure Undertaking”). See “THE SERIES 2019 BONDS—Secondary Market Disclosure Undertaking.”

THE FOREGOING INFORMATION IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE DETAILED INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT. EACH PROSPECTIVE INVESTOR SHOULD READ THE OFFICIAL STATEMENT IN ITS ENTIRETY TO MAKE AN INFORMED INVESTMENT DECISION.

OFFICIAL STATEMENT

Relating to

\$5,630,000*

**Town of Frisco, Colorado
acting by and through its
Marina Enterprise
Marina Enterprise Revenue Bonds
Series 2019**

INTRODUCTION

This Official Statement, including its Cover Page and Appendices, is furnished in connection with the issuance by the Town of Frisco, Colorado (the “Town”), acting by and through its Marina Enterprise (the “Marina Enterprise” or the “Enterprise”) of \$5,630,000* aggregate principal amount of Marina Enterprise Revenue Bonds, Series 2019 (the “Series 2019 Bonds”). The Town is a political subdivision of the State of Colorado (the “State”) organized and existing as a home rule town under the laws of the State and a home rule charter (the “Charter”).

The Series 2019 Bonds are issued for the purpose of financing the construction of improvements to the Frisco Bay Marina (the “Marina”), which is operated by the Enterprise (as described herein, the “Project”), and to finance the costs associated with issuing the Series 2019 Bonds. See “USE OF PROCEEDS.”

The Series 2019 Bonds are special obligations of the Enterprise payable solely from and secured by an irrevocable pledge of and first lien (but not necessarily an exclusive first lien) upon the net income and revenue to be derived by the Enterprise from the operation of the Marina, after payment of all necessary and proper costs of efficient operation and maintenance of the Marina. See “THE SERIES 2019 BONDS—Security and Flow of Funds.”

The references to and summaries of provisions of the constitution and laws of the State and the descriptions of documents included herein do not purport to be complete and are qualified in their entirety by reference to the complete provisions thereof, copies of which are available from the Town or the Underwriter during the period of the initial offering of the Series 2019 Bonds.

FORWARD-LOOKING STATEMENTS

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS RELATING TO FUTURE RESULTS THAT ARE “FORWARD-LOOKING STATEMENTS” AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT, THE WORDS “ESTIMATE,” “FORECAST,” “INTEND,” “EXPECT,” “PROJECTED” AND SIMILAR EXPRESSIONS IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. ANY PROJECTION IS SUBJECT TO SUCH UNCERTAINTIES. INEVITABLY, SOME ASSUMPTIONS USED TO DEVELOP THE

* Preliminary; subject to change.

PROJECTIONS WILL NOT BE REALIZED AND UNANTICIPATED EVENTS AND CIRCUMSTANCES WILL OCCUR. THEREFORE, IT CAN BE EXPECTED THAT THERE WILL BE DIFFERENCES BETWEEN PROJECTIONS AND ACTUAL RESULTS, AND THOSE DIFFERENCES MAY BE MATERIAL.

RISK FACTORS

The purchase and ownership of the Series 2019 Bonds is subject to various investment risks. Each prospective investor in the Series 2019 Bonds should read this Official Statement in its entirety, giving particular attention to the factors described below which, among others described in this Official Statement, could affect the payment of the Series 2019 Bonds and could also affect the market price of the Series 2019 Bonds to an extent that cannot be determined.

Special and Limited Obligations

The Series 2019 Bonds are special and limited obligations of the Town, acting by and through the Enterprise, payable solely out of and secured by an irrevocable pledge of and first-lien (but not necessarily an exclusive first lien) upon the net income and revenue to be derived by the Town from the operation of the Frisco Bay Marina facilities (as described further below, the “System”) after payment of all necessary and proper costs of efficient operation and maintenance of the System. The Series 2019 Bonds are not general obligations of the Town and are not payable in whole or in part from the proceeds of general property taxes or any other form of taxation.

There is no bond trustee or similar person or entity to monitor or enforce the provisions of the Bond Ordinance (as defined under the caption entitled “THE SERIES 2019 BONDS–Security and Flow of Funds–The Bond Ordinance”); therefore, the owners of the Series 2019 Bonds should be prepared to enforce such provisions for themselves if the need to do so ever arises. There is no provision for the acceleration of maturity of the principal of the Series 2019 Bonds in the event of a default. Consequently, remedies available to the owners of the Series 2019 Bonds may have to be enforced from year to year.

No Prior Enterprise Debt

The Series 2019 Bonds constitute the first issuance of bonds by the Enterprise since its creation in 2005. With the exception of payments made in connection with the Water Fund Loan (see “THE ENTERPRISE–Origins and Purpose”), the Enterprise has not previously been required to make debt service payments in connection with external borrowings or contractual obligations.

Competition

The Enterprise occupies a substantial, although not exclusive, position in its service area. Dillon Reservoir may also be accessed via the Dillon Marina, which is owned and operated by the Town of Dillon, Colorado. The Dillon Marina is positioned in a location that offers deeper slips and docks than that of the Marina, allowing larger vessels to utilize its launch and storage facilities. Because of this, the Enterprise focuses System marketing on its kayaking and canoeing capabilities. The Dillon Marina also experiences different weather conditions than that of the Marina, potentially impacting aspects of the System facilities that are weather-dependent. Although Dillon Marina is a direct competitor of the Marina with respect to some services, Town officials believe that the emphasis of the Marina on kayaking and canoeing, along with its capacity for smaller vessels, gives it access to a different segment of the market.

Operational Risks

The Town could experience operational risks associated with its geographic position. For instance, the Town might experience difficulties from time to time in recruiting and retaining well-qualified employees for Town and System operations due to its mountainous location. The Town makes no assurances with respect to its ability to maintain operations and staffing at its current levels. In addition, because the completion of the Project is anticipated to nearly double the capacity of the System facilities, such expansion could potentially increase System operational costs and strain the Enterprise's resources. Town officials currently do not anticipate the completed Project's impact to have a substantial, adverse impact on the Enterprise's operations. Other Town and Enterprise operational risks may include but are not limited to potentially adverse impacts of inclement weather, substantial future drought conditions and risks associated with the tourism industry. See "RISK FACTORS–Tourism Dependency" below.

Seasonal Operation of Facilities

A substantial portion of System facilities are only operational during boating season, which is weather-dependent but typically occurs from June until early- to mid-September ("Boating Season"). The Island Grill Restaurant, ramps and docks are not operational during winter months. The Marina Store (as defined under the caption "THE SYSTEM–Facilities–Administrative Building and Retail Store") is open for regular business hours during Boating Season and open for limited hours and/or by appointment during the rest of the year. System customers are able to use the System's storage facilities and receive repair and maintenance services during all months. See "THE SYSTEM–Facilities."

Due to the seasonal nature of the System facilities, a substantial portion of the System does not produce revenue during colder months. Town officials currently anticipate that revenues generated by the System during Boating Season are reasonably sufficient to meet the annual payment requirements of the Series 2019 Bonds, but no assurances can be made as to the sufficiency of such revenues in future years. Additionally, inclement weather, low-water levels and drought conditions would likely adversely impact the System's capacity for producing revenue. Such conditions cannot be adequately anticipated and the impact of such conditions cannot be predicted. **[Insert additional information regarding historic drought data and impacts on revenues]**

Tourism Dependency

Much of the Town's economy, including the revenue produced by the System, is dependent on tourism. The number of visitors traveling to the Town and utilizing the System in any given year cannot be predicted. Any decrease in tourism may have an adverse impact on Enterprise revenues and the Town's ability to pay its obligations in connection with the Series 2019 Bonds.

Material Contractual Obligations Affecting the System

The operation of the System and its various facilities is governed by a number of leases, contracts and other instruments entered into with outside parties. Although the Town has covenanted in the Bond Ordinance to use its best reasonable efforts to maintain such contracts and other instruments and enforce its rights in accordance with their respective terms, the Town cannot guarantee the continuation of all venter contracts and leases. The impact a discontinuation of any particular lease or venter contract may have on revenues received by the Enterprise cannot be predicted.

Dillon Reservoir is owned and governed by the City and County of Denver, acting by and through its Board of Water Commissioners ("Denver Water"), and a portion of the Marina is leased to the

Town pursuant to a Lease Agreement dated as of November 13, 2013 (the “Denver Water Lease”) between Denver Water and the Town. In accordance with its terms, the Denver Water Lease is to terminate on December 31, 2024. However, it is expressly stated in the Denver Water Lease that the parties anticipate that the Town will continue to lease the property from Denver Water for an indeterminate time extending into the future. The Town can make no assurances that the Denver Water Lease will be extended after its termination or that the Town will continue to lease the property from Denver Water at that time. Should the Town cease to lease all or any portion of the Marina property from Denver Water for any reason, the impact on the revenue received by the System would likely be substantial and this would likely have an adverse effect on the Town’s ability to pay its obligations with respect to the Series 2019 Bonds.

THE SERIES 2019 BONDS

Description of the Series 2019 Bonds

The Series 2019 Bonds are special and limited obligations of the Town, acting by and through the Enterprise, and are issued for the purpose of financing the Project. The Series 2019 Bonds are in the denominations, bear interest, mature, and are subject to the other terms and conditions stated on the cover page hereof.

Authority for Issuance

The Series 2019 Bonds are issued under authority of Section 10-6 of the Home Rule Charter of the Town and Town Ordinance No. 05-01 (the “Enterprise Ordinance”), under which the Town has designated its marina activities as an “enterprise” for purposes of Article X, Section 20 of the Colorado Constitution (“TABOR”), as well as the Colorado Supplemental Public Securities Act (the “Supplemental Securities Act”). See “THE ENTERPRISE.” As bonds of an enterprise, the Series 2019 Bonds are authorized to be issued without approval by the electors of the Town. See “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING.”

Registration and Payment

The Series 2019 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), as securities depository for the Series 2019 Bonds. For so long as the Series 2019 Bonds are in book-entry form, the principal of and interest on the Series 2019 Bonds will be payable at the office of UMB Bank, n.a., or its successors, as paying agent and registrar (the “Paying Agent”). Interest on the Series 2019 Bonds is payable by wire transfer to Cede & Co. upon written instruction or by check or draft mailed by the Paying Agent to the registered owners of the Series 2019 Bonds whose names and addresses appear in the registration books of the Town on the fifteenth day, whether or not a business day, prior to the interest payment date.

Book-Entry Form

The Series 2019 Bonds are issuable in book-entry-only form, and, while the Series 2019 Bonds remain in book-entry form, the owners of the Series 2019 Bonds are not entitled to receive physical delivery of their Series 2019 Bonds. For a description of the DTC Book-Entry System, see APPENDIX D hereto.

Redemption

The Series 2019 Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. Series 2019 Bonds maturing on December 1, 20__ and thereafter are subject to optional redemption, at the option of the Town, prior to maturity, on December 1, 20__ or any date thereafter, in whole or in part, and if in part in such order of maturity as the Town shall determine and by lot within maturities, at a redemption price of par plus accrued interest to the redemption date, without redemption premium.

Mandatory Sinking Fund Redemption. [To be inserted in the event of Term Bonds]

Notice of Redemption. Notice of redemption of any Series 2019 Bonds is to be given by the Paying Agent by sending a copy of such notice by first-class mail, postage prepaid, at least 30 days prior to the redemption date, to the Underwriters and to the registered owner of each Series 2019 Bond all or a portion of which is called for prior redemption, at his or her address as it last appears on the registration records kept by the Paying Agent. For so long as the Series 2019 Bonds are in book-entry form, any such redemption notice may be given, in lieu of such mailing, by sending a copy thereof by Federal Express or by electronic means to DTC or its designee. Failure, as to any Series 2019 Bond, to mail or send such notice as provided above, or any defect therein, does not affect the validity of the proceedings for the redemption of any other Series 2019 Bonds. Any failure of DTC to advise any Participant, or of any Participant or indirect participant to notify the Beneficial Owner, of any such notice and its content or effect does not affect the validity of the redemption of the Series 2019 Bonds called for redemption or any other action premised on that notice.

In the event of a call for redemption, the Town's notification to DTC initiates DTC's standard call procedure. In the event of a partial call, DTC's practice is to determine by lot the amount of the interest of each Participant in the Series 2019 Bonds to be redeemed, and each such Participant then selects by lot the ownership interest in such Series 2019 Bonds to be redeemed. When DTC and Participants allocate the call, the Beneficial Owners of the book-entry interests called are to be notified by the broker or other organization responsible for maintaining the records of those interests and subsequently credited by that organization with the proceeds once the Series 2019 Bonds are redeemed.

Security and Flow of Funds

The Bond Ordinance. The Series 2019 Bonds are to be issued pursuant to an Ordinance adopted by the Town Council of the Town (the "Town Council"), acting as such and as the governing body of the Enterprise, and a Final Terms Certificate (collectively, the "Bond Ordinance"). The Bond Ordinance provides for the security and sources of payment of the Series 2019 Bonds and directs the application of substantially all of the proceeds of the Series 2019 Bonds, exclusive of issuance costs and funds deposited to the Debt Service Reserve Account, to a special account (the "Project Account") for the purpose of paying the construction costs associated with completing the Project as described under the caption "USE OF PROCEEDS—The Project Account." The Bond Ordinance provides that it is irrevocable until the Series 2019 Bonds and the interest thereon are fully paid. There follow brief summaries of certain material provisions of the Bond Ordinance.

Pledged Revenues and Flow of Funds. The Bond Ordinance defines the "System" to mean the Marina facilities presently owned and operated by the Town, together with any other marina facilities specifically added to the System by ordinance of the Town Council, and any improvements thereto. The Income of the System as defined in the Bond Ordinance includes all income from storage fees, rentals, concessions or any other rates, fees or charges for the services furnished by, or the direct or indirect use of the System, together with any interest income of the System not specifically excluded from the lien of the Bond Ordinance. For the purpose of determining compliance with payment, accumulation and coverage requirements of the Bond Ordinance, the Income also includes any other funds contributed to the System

for use in paying Debt Service Requirements or Operation and Maintenance Expenses. See “THE SYSTEM—Principal Revenue Sources of the System.”

The Town covenants in the Bond Ordinance to establish and maintain a special fund known as the “Marina System Fund” (the “System Fund”) as a subfund of the Marina Enterprise Fund currently held by the Town, and to deposit all income and revenues of the System (the “Income”) in the System Fund.

The Income on deposit in the System Fund is to be deposited and applied in the following order of priority:

FIRST, in the amounts required to pay necessary and proper costs of operating and maintaining the System as they become due (“Operation and Maintenance Expenses”), to a special account designated as the “Operation and Maintenance Account” (the Income less such Operation and Maintenance Expenses being referred to as the “Net Pledged Revenues”);

SECOND, to a special account designated as the “Principal and Interest Account” in [semiannual] installments sufficient to pay a ratable portion of the installment of principal, if any, and interest on the Series 2019 Bonds due on the next interest payment date of the Series 2019 Bonds and similar installments with respect to any outstanding parity securities;

THIRD, to the Debt Service Reserve Account (as defined below) to the extent necessary to replenish such account to the required amount;

FOURTH, to the payment of obligations having a lien on the Net Pledged Revenues subordinate to the lien of the Series 2019 Bonds and outstanding parity securities;

FIFTH, to the Surplus Account (as defined below) from time to time, pursuant to the terms of the Bond Ordinance, until the Surplus Account is funded to the Maximum Surplus Amount (as defined below); and

SIXTH, to improvements to the System or to any one or any combination of other lawful purposes determined by the Town Council, acting as the governing body of the Enterprise.

The Bond Ordinance also establishes a separate special fund known as the “Surplus Account” as a subfund of the System Fund. Pursuant to the Bond Ordinance, upon the issuance of the Series 2019 Bonds, the Town is to deposit from time to time legally available monies of the Enterprise, up to a maximum amount of \$_____ (the “Maximum Surplus Amount”) into the Surplus Account. The Town expects to fund the Surplus Account each year from one-half of any moneys received by the Enterprise in excess of its annual Operation and Maintenance Expenses and debt service requirements of the Series 2019 Bonds. The Town is not obligated to fund the Surplus Account in any amount from any other sources nor is the Town required to fund the Surplus Account beyond the Maximum Surplus Amount or to replenish the Surplus Account in the event of a draw thereon. In accordance with the terms of the Bond Ordinance, funds in the Surplus Account are to be applied solely to the timely payment of debt service requirements of the Series 2019 Bonds, the payment of Operation and Maintenance Expenses (as defined below) and the payment of any Project costs (as and when deemed necessary by the Town after expenditure of all amounts on deposit in the Project Account) to support the completion of the Project. Funds in the Surplus Account are not be used or pledged to the payment of any other obligations.

In addition to the Surplus Account, the Bond Ordinance establishes a special fund known as the Debt Service Reserve Account as a reserve against deficiencies in funds available in the Principal and Interest Account to pay the debt service requirements of the Series 2019 Bonds. The Debt Service

Reserve Account is required to be maintained in an amount (initially \$_____) equal to the lesser of 10% of the principal amount of the Series 2019 Bonds, the maximum annual debt service requirements of the Series 2019 Bonds coming due in any bond year or 125% of the average annual debt service requirements of the Series 2019 Bonds. Funds in the Debt Service Reserve Account are to be applied solely as provided in the Bond Ordinance.

Pursuant to the Bond Ordinance, the Operation and Maintenance Account, the Principal and Interest Account, the Surplus Account and the Debt Service Reserve Account are to be maintained as separate accounts within the System Fund. The Bond Ordinance permits the Town, for cash flow purposes and subject to reimbursement, to advance funds temporarily from the Operation and Maintenance Account to pay principal of and interest on the Series 2019 Bonds.

Rate Maintenance. In the Bond Ordinance, the Town covenants, among other things, to prescribe, revise and collect rates, fees and charges for use of the System which are to produce Income sufficient, together with any other moneys legally available therefor and credited to the System Fund, to make the payments and accumulations required by the Bond Ordinance, and which are to produce Income sufficient, after payment of Operation and Maintenance Expenses, to pay an amount at least equal to 125% of the combined annual debt service requirements of the Series 2019 Bonds and outstanding parity obligations. The Income remaining after such payments is also required to be sufficient to pay 100% of the principal and interest requirements of any outstanding subordinate securities and to meet then existing deficiencies pertaining to any fund or account relating to the Net Pledged Revenues or any securities payable therefrom. For purposes of compliance with the rate maintenance requirement, there may be counted as Income any funds contributed to the System by the Town. If in any year the Town shall fail to meet the rate maintenance requirement, the Bond Ordinance requires that an independent rate consultant be retained for the purpose of analyzing the rate structure and utilization of the System and making a written recommendation concerning any appropriate increases or other changes in such rate structure which will enable the Enterprise to meet its covenants concerning rates and charges in the Bond Ordinance. The insufficiency of such rates, fees and charges to meet such covenants would not require any action by the Town to increase rates if, in the opinion of such independent rate consultant, the rates, fees and charges being imposed are reasonable and consistent with the maximization of the Net Pledged Revenues. The Town Council, as the governing body of the Enterprise, is required to promptly review and implement, if reasonably possible, the recommendations of such independent rate consultant. So long as the Town continuously complies with the provisions described in this subsection, the failure to produce Income annually in an amount sufficient to pay the annual Operation and Maintenance Expenses and 125% of the combined annual debt service requirements of the Series 2019 Bonds and outstanding parity obligations would not constitute an Event of Default under the Bond Ordinance.

First Lien Bonds. Pursuant to the Bond Ordinance, the Series 2019 Bonds and any outstanding parity obligations constitute a first and prior (but not necessarily exclusive) lien on the Net Pledged Revenues of the System.

Additional Bonds. Additional bonds and other obligations may be issued, subject to certain provisions of the Bond Ordinance.

The Bond Ordinance prohibits the issuance of obligations having a prior or superior claim to the Income from the System. Subordinate securities may be issued at any time, provided that the Town is not in default in making any payments required in connection with any outstanding parity bonds, in accordance with the terms of the Bond Ordinance.

Additional parity lien obligations may be issued; provided that, at the time of their issuance: (a) the Town is not in default under the provisions of the Bond Ordinance; and (b) the Net Pledged

Revenues in the last complete fiscal year equal or exceed 125% of the combined maximum annual debt service requirements of the Series 2019 Bonds, any outstanding parity obligations and the proposed additional parity lien obligations; provided that, if System rates have been modified during such fiscal year, the Net Pledged Revenues may be adjusted to reflect the Net Pledged Revenues which would have been produced had the modified rates been in effect throughout such fiscal year. Compliance with such test is not required for the issuance of additional parity bonds for the purpose of partially refunding outstanding obligations if the aggregate debt service requirements of the Series 2019 Bonds and all other obligations are not increased.

Borrowers' Remedies. Under the Bond Ordinance, the following constitute Events of Default: (a) nonpayment of principal of the Series 2019 Bonds or parity obligations; (b) nonpayment of interest on the Series 2019 Bonds or parity obligations; (c) incapacity of the Town to perform its obligations under the Bond Ordinance; (d) failure by the Town, after notice, to carry out its obligations relating to the Income or the System; (e) failure to reconstruct any essential part of the System condemned, damaged or destroyed; (f) appointment of a receiver for the System or the Income; or (g) default in performing any other provision of the Bond Ordinance which continues without corrective action for 60 days after notice has been given by the registered owners of 25% in aggregate principal amount of the Series 2019 Bonds and parity securities outstanding.

Upon the happening and continuance of an Event of Default the registered owners of 25% in aggregate principal amount of Series 2019 Bonds and parity securities then outstanding may proceed by mandatory injunction or otherwise to enforce the Bond Ordinance and may seek the appointment of a receiver or operating trustee. None of the properties of the System are mortgaged as security for the Series 2019 Bonds and there is no provision in the Bond Ordinance for acceleration of the Series 2019 Bonds after an Event of Default.

The enforcement of the rights of the registered owners of the Series 2019 Bonds is limited by bankruptcy and other laws affecting creditors' rights generally, and may be subject to delay and to the exercise of judicial discretion.

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Debt Service Requirements

The total debt service requirements of the Series 2019 Bonds are as follows:

TABLE I
Debt Service Requirements of Series 2019 Bonds

Year	Principal*	Interest	Total
2019	--	\$	\$
2020	--		
2021	\$ 75,000		
2022	80,000		
2023	90,000		
2024	95,000		
2025	100,000		
2026	110,000		
2027	115,000		
2028	125,000		
2029	130,000		
2030	140,000		
2031	150,000		
2032	160,000		
2033	170,000		
2034	180,000		
2035	190,000		
2036	200,000		
2037	210,000		
2038	225,000		
2039	240,000		
2040	250,000		
2041	265,000		
2042	280,000		
2043	295,000		
2044	315,000		
2045	330,000		
2046	350,000		
2047	370,000		
2048	<u>390,000</u>		
Total	<u>\$5,630,000*</u>	\$ _____	\$ _____

Source: The Underwriter

Coverage

The Town estimates that the revenue available for debt service produced by the System in the last five complete fiscal years would have covered the anticipated maximum annual debt service requirements of the Series 2019 Bonds:

TABLE II
Estimated Coverage Based on Projected Maximum
Debt Service and Historic Revenues

Year	2013	2014	2015	2016	2017
Revenue Available for Debt Service					
Maximum Annual Debt Service Requirements ¹					
Coverage					

¹ Debt service requirements are estimated.
Source: [_____]

The estimated debt service coverage ratios, based on the Town’s forecasted revenues available for debt service requirements, are as follows for the years 2019 through 2023:

TABLE III
Estimated Coverage Based on Actual Debt Service
and Forecasted Revenues

	2019	2020	2021	2022	2023
Forecast Revenues Available for Debt Service ¹					
Maximum Annual Debt Service Requirements of Series 2019 Bonds*					
Coverage*					

¹ [Explain basis for forecast].
* Preliminary; subject to change.
Source: [_____]

Secondary Market Disclosure Undertaking

In order to facilitate compliance by the Underwriter with Securities and Exchange Commission (the “SEC”) Rule 15c2-12 (the “Rule”), the Town will enter into an undertaking (the “Continuing Disclosure Undertaking”) to provide certain information, including audited financial results, on an annual basis, and to provide notice of certain specified events contemplated by the Rule, to the information repositories designated in the Continuing Disclosure Undertaking. The proposed form of the Continuing Disclosure Undertaking is set forth as APPENDIX F to this Official Statement.

The specific information required to be provided by the Town under the Continuing Disclosure Undertaking includes: (a) notice of the occurrence of any of the material events enumerated in the Rule; and (b) annual audited financial statements.

The Town voluntarily disclosed previous failures to timely perform its obligations under the Municipalities Continuing Disclosure Cooperation Initiative of the SEC (the “MCDC Initiative”). The purpose of the MCDC Initiative was to address potentially widespread violations of federal securities laws by municipal issuers and underwriters of municipal securities in connection with continuing disclosure obligations and related representations in bond offering documents. By self-reporting, pursuant to the MCDC Initiative, possible violations in connection with previous compliance shortcomings, the Town avoided risking unfavorable settlements with the SEC. *[Description of outcome]*

Failure to perform under the Continuing Disclosure Undertaking does not constitute an Event of Default under the Bond Ordinance. However, in the event of a failure to perform the Continuing Disclosure Undertaking, the owners of the Series 2019 Bonds have the right to seek a court order directing the Town to perform its obligations thereunder. Additionally, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2019 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2019 Bonds and their market price. *[Description of any previous failures to file, if any]*

USE OF PROCEEDS

Sources and Uses of Funds

The Town anticipates the following sources and uses of funds (exclusive of accrued interest) in connection with the sale of the Series 2019 Bonds:

Sources	
Principal Amount of Series 2019 Bonds	\$5,630,000*
Original Issue Premium (Discount)	
Total Sources	\$
Uses	
Deposit into Project Account	\$
Debt Service Reserve Account	
Costs of Issuance ¹	
Total Uses	\$

¹ Includes associated costs, legal fees and underwriting discount

* Preliminary; subject to change.

The Project Account

The net proceeds of the Series 2019 Bonds, together with certain other legally available funds, are to be deposited to the Project Account established under the Bond Ordinance for the purpose of paying costs associated with the completion of the Project. See “USE OF PROCEEDS–The Project” below. The Project Account is to be administered in accordance with the terms of the Bond Ordinance.

The Project

A portion of the net proceeds of the Series 2019 Bonds is to be used to finance the construction of various capital improvements to the Marina (the “Project”). The Project generally includes the following: fuel dock relocation and upgrades; Marina dredging; improvements to the Marina’s shoreline beach; site utilities and infrastructure; site grading and preparation; improvements to retaining walls; landscaping; sidewalk and pathway improvements; boat ramp improvements and relocation; and related facility improvements. The Town currently estimates the total cost of the Project to equal approximately \$_____ and expects to fund \$5,000,000 of Project costs from the net proceeds of the Series 2019 Bonds. The Town currently plans to complete the Project in one or more phases in accordance with the Enterprise’s five-year capital improvement plan. See “FINANCIAL INFORMATION CONCERNING THE SYSTEM–Five-Year Capital Improvement Plan.”

One of the largest components of the Project is dredging the Marina. To complete this process, digging is planned to take place in certain areas of the Marina to deepen it. The completion of this

process would allow larger vessels to utilize the dock and would permit Marina operations to commence earlier in the calendar year. The Town currently estimates the dredging component of the Project to cost approximately \$1,200,000. The Town anticipates applying approximately \$1,100,000 from a settlement with the City and County of Denver, acting by and through its Board of Water Commissioners (“Denver Water”) to the completion of the dredging process. For additional information with regard to the Denver Water settlement, see “THE ENTERPRISE–Denver Water Settlement.”

The purpose of the Project is to address the increasing demand for access to the Town’s waterfront, as well as to improve upon the quality of users’ experience. There is currently a waitlist system in place for use of the Marina’s storage facilities. The completion of the Project would increase capacity and allow for more users to enjoy the System’s facilities. As currently planned, the Project is expected to improve public access to the waterfront, expand the capacity of the Marina for all types of boating, enhance site and shoreline ecology and support year-round System uses. [Enterprise management currently expects the completed Project to nearly double the Marina’s current capacity.] Given the significant support the Town’s economy enjoys from its tourism industry, Town officials view the completion of the Project as a priority.

[The Town has entered into a guaranteed maximum price contract (the “Construction Contract”) with _____ (the “Contractor”). Pursuant to the Construction Contract, the Contractor’s fees in connection with constructing the Project are not to exceed \$_____. In the event of cost overruns, the Town Council would consider approving the application of additional funds from the Surplus Account or the Town’s Water Fund to the completion of the Project. Construction of the Project is expected to begin in February of 2019. The Town currently anticipates construction to be completed by autumn of 2019. The Town does not currently anticipate a need for additional staffing in connection with the completion and implementation of the Project.]

THE ENTERPRISE

The Town has historically conducted the activities of the Enterprise on a self-supporting, enterprise fund basis.

Origins and Purpose

The Enterprise was formally established in 2005 by Town Ordinance No. 05-01 (the “Enterprise Ordinance”). The Enterprise manages activities of the Frisco Bay Marina (the “Marina”) for the use of the general public. The Marina allows for public access to Dillon Reservoir, which is owned and governed by Denver Water. A portion of the property comprising the Marina is owned by Denver Water and leased to the Town pursuant to a Lease Agreement dated as of November 13, 2013 (the “Denver Water Lease”) between Denver Water and the Town. In accordance with its terms, the Denver Water Lease is to terminate on December 31, 2024, however it is expressly provided in the Denver Water Lease that the parties anticipate that the Town will continue to lease the property from Denver Water for an indeterminate time extending into the future. Toward that goal, Denver Water and the Town are to begin negotiation of an extension of the Denver Water Lease at least two years prior to its stated termination.

The Town began acquiring interests in the land, real property improvements, equipment and facilities of the Marina in 1993. These facilities, which are described under the caption “THE SYSTEM,” have traditionally been operated and managed by Town personnel and are currently operated by the Recreation and Culture Department of the Town on a fee-for-service basis, without any substantial support from the Town’s general fund. A portion of The Town of Frisco Finance Authority Certificates of Participation, Series 2002 (the “2002 Certificates”) was used to finance certain Marina improvements. The Enterprise was not in existence during the construction of these improvements and was not required

to make any payments in connection with the 2002 Certificates. Additionally, the Enterprise borrowed \$1,200,000 from the Town's Water Fund in 2005 (the "Water Fund Loan") for additional capital improvements. The Enterprise completed its repayment of the Water Fund Loan in 2017, two years prior to the stated due date. No material amount of financial support has otherwise been received from other Town funds by the Enterprise since its creation in 2005.

Management

Under the Enterprise Ordinance, the Town Council is the Governing Body of the Enterprise. See "THE TOWN—Town Government." Management of the Enterprise's daily operations is overseen by a team of Town staff members. The following is a description of the Enterprise's management team:

General Manager. Tom Hogeman began his career with Osprey Adventures (the former name of the Marina facilities before the Town took over operations in 2005) in 1995. Mr. Hogeman was a member of the original Frisco Bay Marina crew. Mr. Hogeman served as Service Manager of the Marina until 2016, at which time he was promoted to General Manager. He is an Evinrude factory-certified technician and brings excellent problem solving abilities to bear in all aspects of the Marina operations.

Guest Services Manager. Jenn Shimp has been an employee of the Marina since 2005. She began as a Dock Attendant before being promoted to Office Attendant. Ms. Shimp was promoted to Guest Services Manager in 2008. In this position, Ms. Shimp manages the financial operations and daily rentals of the Marina.

Operations Manager. Jon Drabik has been an employee of the Marina since 1995. In his current position as Operations Manager, Mr. Drabik facilitates and coordinates all operations of docks, boats and moorings, as well as their respective anchorages.

Service Manager. Casey Farrell has been an employee of the Marina since 2010. Mr. Farrell began his career at the Marina as a Dock attendant before being promoted to Service Technician. Mr. Farrell was promoted to Service Manager in 2017. As Service Manager, Mr. Farrell maintains the Marina fleet as well as all customer boats and motors.

Denver Water Settlement

Pursuant to an Implementation Agreement (the "Implementation Agreement") by and among the City and County of Denver, acting by and through its Board of Water Commissioners ("Denver Water"), the Board of Commissioners of Summit County ("Summit County"), the Town and the Frisco Sanitation District (the "District"), the Town anticipates the receipt of funds from Denver Water in order to offset the costs of improvements to the Marina, as identified in the Implementation Agreement. These improvements include the redevelopment of the Marina pier as well as the dredging and excavation of Marina boat mooring and dock areas. The Implementation Agreement was entered into by its parties in an effort to clarify and implement the provision of benefits to the Town and District under the 2012 Colorado River Cooperative Agreement (the "Cooperative Agreement"), entered into by Denver Water with numerous western slope entities, including Summit County. The Town and District are neither parties nor third-party beneficiaries to the Cooperative Agreement, however in accordance with the Cooperative Agreement (as negotiated with Denver Water by Summit County), Denver Water is to provide certain monetary and water supply benefits to entities located in Summit County, including the Town and District. The intention of the Implementation Agreement is to afford to Denver Water the consideration negotiated in the Cooperative Agreement in exchange for the benefits provided to the Town and District. The Town currently anticipates applying \$1,100,000 of funds received from Denver Water

pursuant to the Implementation Agreement to the completion of the dredging component of the Project. See “USE OF PROCEEDS–The Project.”

Designation and Character of the Enterprise for Purposes of TABOR

Following the adoption of Article X, Section 20 of the Colorado Constitution (“TABOR”), as described under the caption “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING,” the Town Council adopted the Town Ordinance to confirm the existence of the Enterprise as an “enterprise” for purposes of TABOR. TABOR defines an “enterprise” as a government owned business authorized to issue its own revenue bonds and receiving under 10% of its annual revenue in grants from all Colorado State and local governments combined. The Series 2019 Bonds are authorized to be issued in the name of the Enterprise under the Charter and the Enterprise Ordinance. In the 12 months ended December 31, 2018, the Enterprise did not receive any material portion of its total revenues of \$2,006,852.56 in grants from the State or its political subdivisions, including the Town.

The Town has made no covenant in the Bond Ordinance or the Enterprise Ordinance that it will continue to maintain the Enterprise as an “enterprise” under TABOR. A future failure of the Enterprise to qualify as an “enterprise” for purposes of TABOR would not affect the validity of the Series 2019 Bonds but would result in the inclusion of the Enterprise in the Town’s overall spending and revenue base and limitations, if any, for that year and while the Enterprise continued to be disqualified. See “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING.”

THE SYSTEM

The following provides a general description of the facilities, market area, rate structure, typical sources of revenue and expenditure requirements of the Marina facilities included in the System.

Facilities

The System presently includes the following facilities:

Maintenance Facilities. The System includes a Town-owned building used by the Enterprise to provide maintenance, servicing and repair of watercraft of all kinds. Offered services include boat painting and restoration, gel coating, fiber-glassing, wood working and motor tune-ups or overhauls. The System’s maintenance services are provided for Town-owned vessels as well as offered to the public. While portions of the System are only operable during Boating Season, the Enterprise’s maintenance services are offered on a year-round basis. As of October 31, 2018, the Enterprise received \$76,737.77 of 2018 revenues attributable to its maintenance services.

Island Grill Restaurant. The Island Grill is a Town-owned outdoor restaurant and bar. As there is no interior seating, the Island Grill is subject to weather conditions and open only during Boating Season. The Island Grill offers light snacks and traditional American and seafood entrees, as well as a various cocktails and drink options. In addition to dining options, the Island Grill also offers visitors access to special events, such as free concerts during the summer months. During the 2018 Boating Season, \$50,660.74 of Enterprise revenues was attributable to the Island Grill.

Administrative Building and Retail Store. Enterprise operations are conducted out of a Town-owned administrative building. Attached to the administrative building is the Marina’s retail store (the “Marina Store”). The Marina Store is open for regular business hours during Boating Season and open

for limited hours and/or by appointment during the rest of the year. The Marina Store carries Necky Kayak, Old Town Canoe, Aqua Glide and Ocean Kayak boat lines. The store also offers: paddles for kayaks, canoes and stand-up paddleboards; a full range of life jackets for adults, kids and dogs; t-shirts and souvenirs; fishing equipment; dry bags for cellphones and clothing; snacks and refreshments; and a variety of parts for sailboats, pontoons or speedboats. Boats, kayaks, canoes and fishing equipment can also be rented from the Marina Store. As of October 31, 2018, \$93,687.54 of 2018 Enterprise revenues was attributable to the Marina Store.

Ramp and Docks. The Marina has a public ramp from which boats can be launched. When Dillon Reservoir is full (equaling an elevation of 9,017 feet), the ramp has eight feet of water from which boats can be launched. With water levels varying, there must be at least four feet of water on the ramp (equaling an elevation of 9,014 feet) in order to use the ramp. There is no fee for using the ramp.

In addition to the ramp, the Marina offers 150 slips for storage and docking purposes. The types of storage services offered by the Enterprise include: slips; moorings; dry storage; trailer storage; winter storage; and rack storage for paddle sport boats. For a description of the fees charged by the Enterprise for docking and storage services, see “THE SYSTEM—Principal Revenue Sources of the System—Storage Revenues.”

Post-Project Expansion of System Facilities

A steadily increasing demand for access to the Marina and its facilities has highlighted capacity concerns for Enterprise management. There is currently a waitlist in place for Marina visitors who are unable to use the System’s [rental and storage] facilities due to limited capacity. In addition to enhancing visitor experience in general, the various Project components are also strategically designed to address capacity concerns. Town officials anticipate that, once completed, the Project would significantly increase rental and storage capacity, as well as increase the number and types of boats that are able to utilize the Marina’s ramps and docks. The current expectation is that Marina capacity would nearly double upon completion of the Project.

Dillon Reservoir Restrictions and Regulations

Access and use of Dillon Reservoir is subject to the following restrictions and regulations:

Craft Size Restriction. As governing body of Dillon Reservoir, Denver Water restricts craft size on Dillon Reservoir to under 40 feet long. A vessel of that size would not be able to use the Marina’s ramp as currently configured due to the depth required to launch such a boat.

Speed Restrictions. There are no horsepower restrictions on Dillon Reservoir. However, above transom exhausts are not permitted and, as with all lakes in the State of Colorado, there is a speed limit of 30 mph.

Swimming and Water Skiing. Swimming and water skiing are not permitted on Dillon Reservoir pursuant to regulations by Denver Water.

Risk Management

The casualty and liability risks of operating the System are managed as a part of the Town’s overall risk management program, through a combination of self-insurance and the purchase of insurance coverage as described in Note V-G to the basic financial statements attached as APPENDIX C to this

Official Statement. Management of the Enterprise considers such arrangements reasonable under the current and anticipated operating conditions of the System.

Principal Revenue Sources of the System

The facilities included in the System generate several different kinds of revenue, including the following:

Maintenance and Repair Fees. The Enterprise charges fees for maintenance and repair services. As of [October 31], 2018, fees received by the Enterprise in connection with its maintenance and repair services equaled approximately \$76,737.77, comprising 3.82% of the total revenues received by the Enterprise during the 2018 fiscal year. The following table provides a five-year history of the revenues received by the Enterprise for maintenance and repair services:

**Table IV
Five-Year History of Enterprise Maintenance/Repair Revenues**

2013	2014	2015	2016	2017
\$52,206.83	\$80,653.54	\$79,090.51	\$85,100.68	\$96,736.13

Source: The Town

Food and Beverage Sales – Island Grill. During the 2018 Boating Season, the Island Grill received \$50,660.74 in food and beverage sales, comprising 2.52% of the total revenues received by the Enterprise. The following table provides a five-year history of the revenues received by the Enterprise for food and beverage sales:

**Table V
Five-Year History of Enterprise Food and Beverage Revenues**

2013	2014	2015	2016	2017
\$35,404.10	\$38,008.90	\$43,522.40	\$48,634.50	\$53,390.60

Source: The Town

Marina Store Sales. As of [October 31], 2018, the Marina Store received \$93,687.54 in revenues, accounting for 4.67% of the total revenues received by the Enterprise during the Town’s 2018 fiscal year. The following table provides a five-year history of the revenues received by the Enterprise for Marina Store sales:

**Table VI
Five-Year History of Enterprise Retail Revenues¹**

2013	2014	2015	2016	2017
\$53,945.89	\$63,799.60	\$78,341.96	\$76,654.99	\$98,241.72

¹Includes retail sales and fishing license sales.
Source: The Town

Rental Fees. Rental fees constitute a significant portion of revenues received by the Enterprise. They are imposed by Enterprise management without formal approval by the Town Council. Enterprise management is currently discussing a rate analysis and the implementation of rate increases for rental fees.

The current rental fees for the facilities included in the System are as follows:

**TABLE VII
Current Schedule of Rental Fees**

Category/Rental:	Fee for Rental:
-------------------------	------------------------

The following table provides a five-year history of the revenues received by the Enterprise for rental fees:

**Table VIII
Five-Year History of Enterprise Rental Revenues**

2013	2014	2015	2016	2017
\$509,319	\$610,485	\$919,504	\$1,077,199	\$1,097,649

Source: The Town

Storage Revenue. The following is a summary of the fees charged for docking and storage services:

**Table IX
Current Schedule of Storage Fees**

	Slips:	Moorings:	Dry Storage:	Trailer Storage:	Winter Storage:
Seasonal ¹ :	\$0.44/ft/day ⁶	\$0.32/ft/day	\$0.17/ft/day	\$0.11/ft/day	\$0.11/ft/day ⁷
Daily ² :	\$1.36/ft/day	\$0.99/ft/day	\$0.78/ft/day	\$0.39/ft/day	\$0.52/ft/day
July 4 th Week ³ :	Additional	Additional	Additional	Additional	N/A
	\$0.50/ft/day	\$0.50/ft/day	\$0.50/ft/day	\$0.50/ft/day	
Weekly ⁴ :	\$1.14/ft/day	\$0.83/ft/day	\$0.54/ft/day	\$0.29/ft/day	\$0.36/ft/day
Month ⁵ :	\$0.79/ft/day	\$0.58/ft/day	\$0.30/ft/day	\$0.20/ft/day	\$0.22/ft/day

¹ Refers to the Boating Season, or the portion of the year from opening to closing of the Marina, equaling approximately 153 days from June to early- to mid-September.

² Up to seven days.

³ July 1st through July 7th.

⁴ Up to 30 days.

⁵ Over 30 days.

⁶ For example, to dock a 20-foot boat from opening to closing of the Marina would cost \$1,346.40.

⁷ The winter season last approximately 212 days.

Source: The Town

Rack storage fees are as follows:

**Table X
Current Schedule of Rack Storage Fees**

Type of Storage	Storage Fee
Canoe/Kayak/SUP Rack ¹	\$240
Extra Boat on the Same Rack Space	100
Annual ²	400
Winter Rack ³	200
Monthly ⁴	110
Weekly ⁵	30
Daily ⁶	8

¹ For use during Boating Season.

² Offered only in the spring season.

³ Available only during the winter season.

⁴ Maximum of one month.

⁵ Maximum of four weeks.

⁶ Maximum of 30 days.

Source: The Town

The following table provides a five-year history of the revenues received by the Enterprise for storage services:

Table XI
Five-Year History of Enterprise Storage Revenues

2013	2014	2015	2016	2017
\$76,995	\$77,260	\$84,949	\$74,252	\$120,011

Source: The Town

Other Income. Miscellaneous other sources such as fuel sales, concessionaire fees and park rentals typically generate a portion of the total Enterprise revenues received each Boating Season. During the 2018 Boating Season, the Enterprise received \$102,008.86 of revenues from other income sources, comprising 5.08% of the total revenues received by the Enterprise.

Principal Items of System Expenses

The labor to manage and operate the System is its largest single expense, representing approximately 60.58% of total operating expense. Other major expenditure areas are operating supplies, utilities, and repair and maintenance of equipment and facilities. Funds are also necessary to support an effective marketing effort to promote tourism and Marina usage. Equipment purchase and replacement decisions are made as funds are available. The Enterprise also typically accumulates reserves for capital repair and replacement.

FINANCIAL INFORMATION CONCERNING THE SYSTEM

Enterprise Operating History

The following sets forth the recent operating history of the Marina Enterprise Fund:

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TABLE XII
Marina Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Position

For the Years Ended December 31,

	2013	2014	2015	2016	2017
Operating Revenues					
Charges for Services	\$ 793,406	\$1,021,668	\$1,288,181	\$1,439,922	\$1,535,817
Total Operating Revenues	<u>793,406</u>	<u>1,021,668</u>	<u>1,288,181</u>	<u>1,439,922</u>	<u>1,535,817</u>
Operating Expenses					
Cost of Sales and Services	628,238	723,656	760,688	835,965	862,870
Administrative Expenses	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total Operating Expenses	<u>648,238</u>	<u>743,656</u>	<u>780,688</u>	<u>855,965</u>	<u>882,870</u>
Operating Income (Loss)	<u>145,168</u>	<u>278,012</u>	<u>507,493</u>	<u>583,957</u>	<u>652,947</u>
Non-Operating Revenues (Expenses)					
Investment Income	--	845	348	4,239	5,160
Miscellaneous Revenue	18,341	[225,658] ¹	26,385	27,645	32,622
Interest Expense	(4,840)	(4,144)	(3,472)	(2,702)	(5,287)
Depreciation Expense	(245,785)	(233,909)	(232,263)	(238,610)	(249,318)
Gain (Loss)-Disposal Capital Assets	<u>7,306</u>	<u>24,193</u>	<u>11,511</u>	<u>8,809</u>	<u>64,473</u>
Net Non-Operating Revenues (Expenses)	<u>(224,978)</u>	<u>12,643</u>	<u>(197,491)</u>	<u>(200,619)</u>	<u>(152,350)</u>
Total Net Assets – January 1	<u>2,112,296</u>	<u>2,032,486</u>	<u>2,323,141</u>	<u>2,633,143</u>	<u>3,016,481</u>
Total Net Assets – December 31	<u>\$2,032,486</u>	<u>\$2,323,141</u>	<u>\$2,633,143</u>	<u>\$3,016,481</u>	<u>\$3,517,078</u>

¹ Miscellaneous Revenue increased substantially due to [_____].
Source: The Town

Marina Enterprise Fund Budget

Set forth hereafter is a comparison of the Town's 2017 and 2018 adopted budgets, the 2019 proposed budget, and year-to-date 2018 unaudited financial information for the Marina Enterprise Fund.

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TABLE XIII
Town Marina Enterprise Fund Budget Summary and Comparison

	2017 Budget (as adopted)	2018 Budget (as adopted)	2018 Year-to-Date (unaudited) ¹	2019 Budget (as proposed) ²
Revenues:				
User Charges	\$1,268,850	\$1,335,500	\$1,429,845	\$1,326,400
Total Revenues	<u>1,268,850</u>	<u>1,335,500</u>	<u>1,429,845</u>	<u>1,326,400</u>
Expenditures:				
Salaries and Benefits	476,720	510,670	536,528	563,035
Administrative Fees	20,000	20,000	20,000	20,000
Professional Fees	25,000	25,000	25,000	25,000
Supplies	111,500	124,000	112,300	144,000
Utilities	30,000	30,000	20,000	30,000
Repair and Maintenance	56,000	61,000	63,000	66,000
General Expenses	228,600	259,700	254,700	274,600
Capital Outlay	<u>580,000</u>	<u>2,186,000</u>	<u>711,000</u>	<u>4,012,700</u>
Total Expenditures	<u>1,527,820</u>	<u>3,216,370</u>	<u>1,742,528</u>	<u>5,135,335</u>
Other Sources (Uses):				
Reimbursements from Denver Water (ZM)	25,000	25,000	27,000	27,000
Investment Income	1,200	5,000	10,000	10,000
Sale of Assets	6,000	3,000	22,200	6,600
Loan Repayment to Water Fund	(132,000)	--	--	(300,000)
Water Agreement Settlement	--	--	<u>450,000</u>	<u>5,000,000</u>
Total Other Sources (Uses)	<u>(99,800)</u>	<u>33,000</u>	<u>509,200</u>	<u>4,743,600</u>
Net Change in Fund Balance	(358,770)	(1,847,870)	196,517	934,665
Fund Balance – January 1	<u>1,720,211</u>	<u>1,959,362</u>	<u>2,409,557</u>	<u>2,689,890</u>
Fund Balance – December 31	<u>\$1,361,441</u>	<u>\$ 111,492</u>	<u>\$2,606,074</u>	<u>\$3,624,555</u>

¹ Unaudited financials through [REDACTED], 2018.

² Subject to change prior to adoption by the Town Council.

Sources: Town's 2017 and 2018 budget documents, 2019 proposed budget and the Town

Management's Discussion and Analysis

See the Town's audited financial statements appended hereto as APPENDIX C for the Management's Discussion and Analysis, which provides a narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2017, the most recent audit available for the Town.

[Include brief discussion of Marina Enterprise for 2018]

Five-Year Capital Improvement Plan

Enterprise management has adopted the following five-year capital improvement plan for the System. The capital improvement plan is evaluated and updated annually by Enterprise management. The Enterprise’s capital improvement plan is subject to change based on the availability of Enterprise funds at the time of expenditure.

Table XVI
Five-Year Enterprise Capital Improvement Plan

2019	2020	2021	2022	2023
\$4,012,700 ¹	\$3,788,500 ²	\$936,000 ³	\$1,308,000 ⁴	\$325,000 ⁵

¹ Includes the Project and replacement of paddle boats. See “USE OF PROCEEDS–The Project.”

² Includes intersection/entry improvements, sidewalk and pathway improvements, parking area improvements, the construction of a new Enterprise administration building and the replacement of paddle and runabout boats.

³ Includes improvements to pier and lakefront promenades, the replacement of paddle boats and the replacement of pontoon fleet.

⁴ Includes the construction of a [new?] food and beverages building, the relocation of playground facilities, landscaping and irrigation, improvements to sidewalks and paths, the replacement of paddle boats and the replacement of a mooring anchor winch boat.

⁵ Includes improvements to the Marina pavilion and site amenities and the replacement of boating equipment.

Source: Enterprise Capital Plan

DEBT STRUCTURE OF THE ENTERPRISE

Generally

Borrowings for Enterprise purposes are contracted by the Town, acting by and through the Enterprise. The Enterprise has no taxing power and, because it is operated on a self-supporting, fee-for-service basis, its only source of revenue for debt service has historically been the net amounts remaining after payment of operation and maintenance expenses of the System. Accordingly, the debt structure of the Enterprise consists of revenue obligations which are not secured by the general credit of the Town.

No Outstanding Obligations

As of December 31, 2018, the Enterprise has no outstanding obligations. The Series 2019 Bonds constitute the first issuance of obligations by the Enterprise.

THE TOWN

General

The Town is located on the western slope of the Continental Divide, in Summit County, Colorado, approximately 70 miles west of Denver, Colorado, at an elevation of 9,096 feet above sea level. The Town is centrally located in Summit County and has access at two interchanges on Interstate Highway 70. The Town covers approximately two square miles and currently has an estimated permanent population of approximately 3,000. See “APPENDIX E—ECONOMIC AND DEMOGRAPHIC INFORMATION.”

The Town is adjacent to the 275,000 acre-foot Dillon Reservoir, which is owned by the Denver Water Board and serves as a primary summer recreation facility for the Denver metropolitan area, in

addition to being one of the major storage facilities in the Denver Water system. The Town is situated in close proximity to four major ski resorts: Keystone; Copper Mountain; Arapahoe Basin; and Breckenridge. The Town is in the same general vicinity as the City of Loveland, Colorado and is located approximately 30 miles from the Town of Vail, Colorado.

Town Government

The Town had its beginnings as a mining and railroad center. It was founded in 1873 and incorporated as a statutory town in 1879. In 1988 the present home-rule Charter was adopted.

Under the provisions of its Charter, the Town has a council-mayor-manager form of government, and is governed by a seven-member Council. Town Council members are elected for staggered four-year terms in elections held every two years. The Mayor, who is a voting member of the Town Council, presides at Town Council meetings. The present members of the Town Council are as follows:

Name	Office	Principal Occupation	Years of Service on the Board	Term Expires (April)
Gary Wilkinson	Mayor	Mining Engineer	10 ¹	2020
Hunter Mortensen	Mayor Pro Tem	Professional Ski Patroller	4	2022
Jessica Burley	Member	Public Sector Sustainability Coordinator ²	2	2020
Deborah Shaner	Member	Life Safety Engineer	2	2020
Rick Ihnken	Member	Fire Rescue Lieutenant	2	2020
Dan Fallon	Member	Restaurant Owner; Home Inspector	2 ³	2022
Melissa Sherburne	Member	Planner	< 1 ⁴	2022

¹ Mayor Wilkinson served as a Council Member from April 2008 to April 2012 and has served as Town Mayor since April 2012.

² Council Member Burley is the Public Sector Sustainability Coordinator for the Town of Breckenridge, Colorado.

³ Council Member Fallon served from April 2006 to April 2008. He returned to the Town Council in April of 2018.

⁴ Council Member Sherburne joined the Town Council in April of 2018.

Administration

The following is a list of the administrative and management personnel most directly involved in the execution and delivery of the Series 2019 Bonds, their duties with the Town government, and their background and experience.

Town Manager. The Town Manager is appointed by the Town Council and serves for an indefinite term. The Town Manager serves as the chief operating officer of the Town government and administers the policies of the Mayor and the Town Council. The Town Manager exercises all the executive powers and administrative powers vested in him or her by the Town Charter.

The position of Town Manager is currently vacant. Pursuant to the Charter, the Town Council must appoint a Town Manager within six months after the existence of a vacancy. Such appointment requires the affirmative vote of a majority of the entire Town Council. Prior to the Town Council's appointment of a successor Town Manager, the Mayor is authorized by the Charter to appoint a Town employee to serve as acting Town Manager. **[Update after January 8 Meeting]**

Town Finance Director/Treasurer. The Town Treasurer performs all statutory duties of Treasurer, including the supervision of the Town's financial functions.

Bonnie Moinet has been employed by the Town in this position since April 2, 2007. Prior to her employment with the Town, she was Finance Director for the City of Alamosa, Colorado for 18 years. In 1984, she graduated from Adams State University, in Alamosa, Colorado, with a Bachelor of Science degree in accounting. Ms. Moinet is a certified public accountant and holds a Certified Government Finance Officer's designation from the Government Finance Officers Association.

Town Attorney. The Town Attorney is the general legal counsel of the Town and advises the Town Council and Town officials in matters relating to their official powers and duties. The firm of Murray Dahl Beery Renaud LLP serves as general legal counsel of the Town. Murray Dahl Beery Renaud LLP concentrates its practice in the representation of local governments and litigation involving local government issues.

Thad Renaud, Esq. is a founding partner of Murray Dahl Beery & Renaud LLP. Mr. Renaud's 25 years of legal practice have been concentrated in the areas of local government, land use and real estate law. Prior to the formation of Murray Dahl, he was special counsel with Gosuch Kirgis LLP. Prior to joining Gorsuch Kirgis, he was senior counsel at Holme Roberts & Owens LLP. Mr. Renaud is currently the Town Attorney for the Town, as well as the City Attorney for the City of Edgewater, Colorado. He also currently serves as special counsel for the Beaver Creek Resort Company of Colorado and as the Associate Municipal Court Judge for the City of Blackhawk, Colorado. He has previously served as the City Attorney for the City of Cherry Hills Village, Colorado (2004-2008), Assistant City Attorney for the City of Lafayette, Colorado (1997-2004) and Assistant Town Attorney for the Town of Frisco, Colorado (1996-2004). In addition, Mr. Renaud has acted as special counsel for several Colorado cities and towns in various land use and litigation matters. Mr. Renaud's practice has also included a successful argument before the Colorado Supreme Court concerning the home rule authority of Colorado municipalities. Mr. Renaud received his Bachelor of Arts degree from the University of Texas at Arlington in 1990, and his Juris Doctor degree, with honors, from the University of Texas at Austin in 1993. He was admitted to the Colorado Bar in 1993. He is a member of the Colorado Municipal League and of the Metro City Attorneys Association.

Services; Employees

A wide range of services are provided to Town residents by the Town, Summit County and other governmental and private parties, including public safety, highways and streets, sanitation (landfills), health and social services, libraries, public improvements, planning and zoning and general administration. Additional entities provide further services, such as public education and youth programs.

The Town's Police Department provides law enforcement throughout the Town. Additional law enforcement services are provided by the Summit County Sheriff's Department. Fire protection is provided to the Town by the Lake Dillon Fire Protection District. The Town also maintains cooperative agreements with various federal agencies and Summit County for law enforcement and fire protection purposes.

In addition to Summit Medical Center, which includes a surgery center, birthing center and 24-hour emergency room, numerous medical clinics exist within close proximity to the Town.

Public education within the Town is provided by Summit County School District RE-1. Children of the Town's residents enrolled in public school attend elementary school and middle school in the Town

and high school in unincorporated Summit County. Post-secondary education is available at nearby Colorado Mountain College, also located in Summit County.

A water plant is operated by the Town and wastewater service is provided by the Frisco Sanitation District. Xcel Energy supplies natural gas and electricity to the Town and Comcast and Qwest Communications provide cable television and telephone services, respectively.

The Town currently employs 97 full-time employees and varying numbers of seasonal full-time workers. In addition, there are 3 year-round part-time employees and approximately 130 seasonal part-time employees. During the last three years, the Town has experienced a substantial amount of growth in tourism. In an effort to recruit and retain qualified applicants to meet the Town's needs in connection with the increase in visitation, the Town has developed seven 10-month full-time positions which the Town hopes will level out the number of seasonal positions. The Town has also started to convert seasonal employees to full-time positions by having such employees assume responsibilities in other departments during alternating seasons. None of the Town employees is a member of a labor union. Labor relations between the Town and its employees may be characterized as excellent.

Pension and Other Benefits

The Town participates in Social Security and Medicare tax, as well as Medicare tax for Social Security exempt employees. The Town matches the employee's contributions to these taxes through payroll deduction. Social Security does not pertain to members of the Police Department. Members of the Police Department are covered for retirement under the provisions of Colorado state law. The Town also provides an additional retirement program through the International City Manager's Association to which the Town contributes up to [7]% of an employee's salary, depending upon the employee's longevity with the Town. The employee is fully vested after three years of participation in the retirement program. The employee may match contributions up to the allowed federal/State requirements.

The Town provides eligible employees with comprehensive insurance protection in a self-insurance pool covering various health, dental, disability, vision and life insurance needs.

Town employees may accumulate unused vacation and sick time up to maximum limits. Upon separation after more than six months of employment, unused vacation time is prorated for the last year worked. Sick leave is forfeited at termination. At December 31, 2017, compensated absence liabilities were approximately \$287,752.55 and \$33,895.91 for the Town's general fund and enterprise funds, respectively, and were fully funded within each fund.

Town Insurance Coverage

The Town maintains insurance coverages as required by law. The Town is a participant in a municipal insurance pool, Colorado Intergovernmental Risk Sharing Agency ("CIRSA"). The purposes of CIRSA are to provide members (who must be Colorado governmental entities) with defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, or officers. CIRSA provides insurance coverage for property, liability, crime, policy professional, and errors and omissions insurance. The current insurance coverage will remain in effect through December 31, 2019 and is expected to be renewed annually. Maximum coverages are as follows:

	Per Person	Per Occurrence
Property	\$500	\$500,000
General Liability & Law Enforcement	N/A	\$5,000,000/claim
Auto Liability	N/A	\$1,500,000/claim
Public Officials Errors and Omissions aggregate/member	N/A	\$5,000,000/claim \$10,000,000 annually
Crime	N/A	\$150,000/claim

Note: Colorado statutes provide municipalities with immunity from tort liability in excess of \$600,000 per occurrence.

For more information concerning insurance coverage, see Note V-G to the Town’s financial statements included as APPENDIX C to this Official Statement.

Material Contracts

The Town is a party to certain cooperative intergovernmental agreements (“IGAs”) with other governmental entities in the area. A formal IGA called the Dillon Reservoir Recreation Committee (“DRReC”) includes the Town of Frisco, the Town of Dillon, Summit County, Denver Water and the U.S. Forest Service. The DRReC is responsible for management oversight and recreation regulations and activities related to Dillon Reservoir and all Denver Water Board properties surrounding Lake Dillon. The Town also has several ongoing intergovernmental agreements with other communities and Summit County, under which elected officials engage in discussions regarding common issues that affect all communities in Summit County. Finally, there are numerous review agencies, such as County Planning Commissions, that provide comment and input on proposed projects that may have some impact in adjoining areas. [Brief discussion of contract with Frisco Sanitation District]

Master Plan and Capital Improvement Program

The Town prepares a five-year capital project timeline. Items included in the capital improvement plan include major road projects, building improvements, trail additions, park improvements, vehicles, reforestation and forestry management, street revitalization plans and implementation. Funding for these projects comes from Real Estate Investment Fees and transfers of excess General Fund reserves, if any. The Town has also prepared a five-year capital project timeline with respect to improvements to the System. The Project is being constructed in accordance with the System’s five-year capital project timeline. See “FINANCIAL INFORMATION CONCERNING THE ENTERPRISE—Five-Year Capital Improvement Plan.”

CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, BORROWING AND SPENDING

At the general election held November 3, 1992, the voters of the State approved an amendment to the Colorado Constitution (“TABOR”) limiting the ability of the State and local governments such as the Town to increase revenues, debt and spending and restricting property, income and other taxes. Generally, TABOR limits the percentage increases in spending and property tax revenues to the prior year’s amounts, adjusted for inflation, local growth and voter approved changes, requires the maintenance of certain reserves, and prohibits the imposition of new real estate transfer taxes. In addition, TABOR requires that the State and local governments obtain voter approval for certain tax or tax rate increases or to keep or spend revenues received in excess of TABOR limits, and to create any “multiple fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years,” except for refinancing debt at a lower interest rate or adding new employees to existing pension plans.

On November 7, 2000, Town voters approved Referred Measure 2A (“Measure 2A”), authorizing the Town to collect, retain and spend all revenues received from its: property taxes; sales, use and other excise taxes; rates, fees, assessments, fines, forfeitures, licenses, permits, reimbursements, contributions, donations, seizures, rents, and charges for facilities and services; distributions from other governments; grants; interest earnings and other investment income; and any and all other revenues received by the Town. The approval of Measure 2A increased the Town’s financial flexibility without adding to its debt authorization.

TABOR excepts from its restrictions the borrowings and fiscal operations of “enterprises,” which term is defined to include government owned businesses authorized to issue their own revenue bonds and receiving under 10% of their revenues in grants from all Colorado State and local governments combined. The Town currently maintains the Enterprise and its water system as enterprises.

TABOR continues to affect many aspects of the Town’s financial operations, revenue sources and budgetary planning. Many of the provisions of TABOR are ambiguous and will continue to require judicial interpretation. There is no assurance that the application of TABOR, particularly during periods of reduced economic activity, will not adversely affect the operations or financial condition of the Town.

NOT RATED

The Series 2019 Bonds are being issued without a rating.

LITIGATION

There is no litigation now pending or, to the knowledge of the Town officials responsible for the issuance of the Series 2019 Bonds, threatened which questions the validity of the Series 2019 Bonds or of any proceedings of the Town taken with respect to the issuance or sale thereof.

TAX MATTERS

Generally

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2019 Bonds (including any original issue discount properly allocable to the owner of a Series 2019 Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described above assumes the accuracy of certain representations and compliance by the Town with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be met subsequent to the issuance of the Series 2019 Bonds. Failure to comply with such requirements could cause interest on the Series 2019 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2019 Bonds. The Town has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2019 Bonds.

The accrual or receipt of interest on the Series 2019 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2019 Bonds. The extent of these other tax consequences will depend on such owners’ particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2019 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers

entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2019 Bonds.

Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Series 2019 Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2019 Bonds under the laws of the State of Colorado or any other state or jurisdiction.

A copy of the form of opinion of Bond Counsel is attached hereto as APPENDIX B.

Original Issue Discount

The Series 2019 Bonds that have an original yield above their respective interest rates, as shown on the cover page of this Official Statement (collectively, the “Discount Bonds”), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium

The Series 2019 Bonds that have an original yield below their respective interest rates, as shown on the cover page of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Recognition of Income Generally

Section 451 of the Code was amended by Pub. L. No. 115-97, enacted December 22, 2017 (sometimes referred to as the Tax Cuts and Jobs Act), to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in income, including original issue discount, no later than the time such amounts are reflected on certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Code. The rule generally applies to taxable years after 2017, except that in the case of income from a debt instrument having original issue discount, the rule does not apply until taxable years after 2018. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to the Series 2019 Bonds under the Code.

Bank Qualified

The Town has represented that it does not reasonably anticipate issuing greater than \$10,000,000 of tax-exempt obligations in calendar year 2019 (excluding certain private activity and refunding bonds) and that it has designed the Series 2019 Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. Accordingly, assuming the accuracy of such representations, Bond Counsel is of the opinion that in the case of certain banks, thrift institutions or other financial institutions owning the Series 2019 Bonds, a deduction is allowed for 80% of that portion of such institutions’ interest expense allocable to interest on such certificates. Bond Counsel has expressed no opinion with respect to any deduction for federal tax law purposes of interest on indebtedness incurred or continued by an owner of the Series 2019 Bonds or a related person to purchase or carry such bonds.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2019 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Series 2019 Bonds that fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the

excludability of interest on the Series 2019 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “TAX MATTERS” or adversely affect the market value of the Series 2019 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2019 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2019 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2019 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2019 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE SERIES 2019 BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2019 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2019 BONDS.

UNDERWRITING

The Underwriter named on the Cover Page of this Official Statement (the “Underwriter”), has agreed to purchase the Series 2019 Bonds from the Town pursuant to a Bond Purchase Agreement dated _____, 2019, between the Town and the Underwriter, at a purchase price equal the principal amount of the Series 2019 Bonds plus premium on the Series 2019 Bonds in the amount of \$_____ less an underwriting discount of \$_____.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Series 2019 Bonds are subject to approval by Kutak Rock LLP, Denver, Colorado, Bond Counsel, whose opinion is expected to be delivered in substantially the form set forth in APPENDIX B hereto. In addition to acting as Bond Counsel, Kutak Rock LLP has also been retained to advise the Town concerning the preparation of this Official Statement. Certain legal matters will be passed upon for the Town by Murray Dahl Beery Renaud LLP, Denver, Colorado, as Town Attorney.

FINANCIAL STATEMENTS

The basic financial statements of the Town for the year ended December 31, 2017, included in APPENDIX C to this Official Statement, have been audited by McMahan and Associates, L.L.C., independent certified public accountants and consultants, as stated in their report appearing herein. [Obtain or waive consent?]

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any such estimates will be realized. This Official Statement is not to be construed as a contract between the Town and any person.

The preparation, execution and delivery of this Official statement have been duly authorized by the Town.

TOWN OF FRISCO, COLORADO, acting by and through its Marina Enterprise

By: /s/
Mayor

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE

The following is a brief summary of certain provisions of the Bond Ordinance and is qualified in its entirety by the provisions of the Bond Ordinance itself.

Definitions

As used in the Bond Ordinance, the following terms have the following respective meanings, unless the context clearly requires otherwise:

“*Acquire*” or “*Acquisition*” means the design, construction, reconstruction, purchase, lease, gift, transfer, assignment, option to purchase, grant from the federal government or any public body or other person, endowment, bequest, devise, installation, condemnation, contract, or other acquirement or other provision, or any combination thereof, of facilities, other property, any project or an interest therein.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement between the Underwriter and the Town, which agreement governs the Underwriter’s purchase of the Series 2019 Bonds.

“*Bonds*” means all obligations payable from the Net Pledged Revenues, regardless of their priority.

“*Bond Counsel*” means Kutak Rock LLP or other counsel of nationally recognized standing in the field of state and local government finance, acceptable to the Town.

“*Bond Ordinance*” means the Bond Ordinance, including any amendment thereto, together with any applicable Final Terms Certificate.

“*Bond Year*” means the 12 months commencing on the second day of the month, determined by Final Terms Certificate, in which principal payments on the Series 2019 Bonds are payable, and ending on the first day of such month in the next succeeding calendar year.

“*Charter*” means the Home Rule Charter of the Town.

“*Code*” means the Municipal Code of the Town.

“*Combined Annual Debt Service Requirements*” means the sum of the annual Debt Service Requirements for all issues of Parity Bonds or Subordinate Securities for which the computation is being made.

“*Commercial Bank*” means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation and of the Federal Reserve System, which has capital and surplus of \$100,000,000 or more and which is located within the United States of America.

“*Comparable Bond Year*” means, in connection with any Fiscal Year, the Bond Year which ends in such Fiscal Year. For example, for the Fiscal Year commencing on January 1, 2019, the Comparable Bond Year for the Bonds ends in 2019 on the first day of the month which is designated in the applicable Final Terms Certificate for payments of principal (whether or not any such principal is actually payable in 2019).

“*Cost of the Project*” means all or any part of the cost of the Project (including, but not limited to, such costs paid prior to the date of the Bond Ordinance and reimbursed to the Town or the Enterprise), including, without limitation, interest or discount on the Series 2019 Bonds, costs of issuance of the Series 2019 Bonds, legal expenses, costs of financial, professional, and other estimates and advice, contingencies, any administrative, operating, and other expenses of the Town incurred or paid prior to and during the Project, and all such other expenses as may be necessary or incident to the financing and completion of the Project or any part thereof.

“*Council*” means the Town Council of the Town as governing body of the Town, acting as such or, as the context requires, as the governing body of the Enterprise.

“*C.R.S.*” means the Colorado Revised Statutes, as amended.

“*Debt Service Requirements*” means the principal of, and interest on, and any premium due in connection with the redemption of any Bonds or other Securities payable from the Net Pledged Revenues, excluding any amounts provided for with capitalized interest or other funds actually on hand and irrevocably committed to the payment of Debt Service Requirements.

“*Enterprise*” means the Frisco Bay Marina enterprise of the Town.

“*Enterprise Ordinance*” means Town Ordinance No. 05-01, recognizing and confirming the existence of the Enterprise.

“*Equip*” or “*Equipment*” means the furnishing of all necessary or desirable, related or appurtenant machinery and other facilities, or any combination thereof, appertaining to any property, project or interest therein, as authorized by the Charter, the Enterprise Ordinance or the Bond Ordinance.

“*Event of Default*” means any one of the events described herein under the caption “Events of Default.”

“*Excess Investment Earnings Account*” means the special account created by the Bond Ordinance and described herein under the caption “Funds and Accounts—Excess Investment Earnings Account.”

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

“*Final Terms Certificate*” or “*Final Terms Certificates*” means a Certificate or Certificates, not inconsistent with the Bond Ordinance, signed by the Finance Director, approving the final terms of the Series 2019 Bonds and their award to the Underwriter pursuant to the Bond Purchase Agreement, and determining any details reasonably necessary or appropriate in connection therewith in order to effectuate or clarify the provisions of the Bond Ordinance and consummate the transactions contemplated thereby.

“*Finance Director*” means the Director of Finance of the Town.

“*Fiscal Year*” means the 12 months commencing on the first day of January of any calendar year and ending on the last day of December of such calendar year or such other 12-month period as may from time to time be designated by the Council or by State statute as the Fiscal Year of the Town.

“*Improve*” or “*Improvement*” means the addition, extension, enlargement, betterment, replacement or improvement or any combination thereof, of facilities, other property, any project or any

interest therein, but not including reconstruction, replacement, repair or other renewal of existing facilities that does not increase the capacity of the System.

“*Income*” means all income from storage fees, rentals, concessions or any other rates, fees or charges for the services furnished by, or the direct or indirect use of, the System, together with any interest income of the System not specifically excluded from the lien of the Bond Ordinance. To the extent provided by Final Terms Certificate, the Income also includes, for the purpose of determining compliance with the payment, accumulation and coverage requirements of the Bond Ordinance, any other funds contributed to the System for use in paying Debt Service Requirements or Operation and Maintenance Expenses.

“*Independent Accountant*” means any certified public accountant, or any firm of such accountants, duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the Town, who (a) is, in fact, independent and not under the domination of the Town or the Council; (b) does not have any substantial interest, direct or indirect, in any of the affairs of the Town; and (c) is not connected with the Town as a member, officer or employee of the Council, but who may be regularly retained to make annual or similar audits of any books or records of the Town.

“*Independent Rate Consultant*” means a nationally recognized individual, firm or corporation of independent rate consultants of recognized good standing and having specific experience in respect of business and properties of a character similar to those of the System, which individual, firm or corporation has no substantial interest, direct or indirect, in the Town and in the case of an individual, is not a member of the Council, or an officer or employee of the Town, and in the case of a firm or corporation, does not have a partner, director, officer or employee who is a member of the Council or an officer or employee of the Town.

“*Interest Payment Date*” means a date designated by Final Terms Certificate for the payment of interest on the Series 2019 Bonds or any other designated Securities.

“*Marina System Fund*” means the special fund created by the Bond Ordinance and described herein under the caption “Funds and Accounts–Marina System Fund and Flow of Funds.”

“*Maximum Annual Debt Service Requirements*” means, with respect to each issue of Parity Bonds for which the computation is being made, the largest amount of Debt Service Requirements coming due in any single Bond Year when such Parity Bonds are Outstanding.

“*Net Pledged Revenues*” means all Income remaining after the deduction of Operation and Maintenance Expenses.

“*Operation and Maintenance Expenses*” means such reasonable and necessary current expenses of the Town, paid or accrued, of operating, maintaining and repairing the System as may be determined by the Council. The term may include, at the option of the Council, except as limited by contract or otherwise limited by law, without limiting the generality of the foregoing:

(a) engineering, auditing, legal and other overhead expenses of the Town directly related and reasonably allocable to the administration, operation and maintenance of the System;

(b) insurance and surety bond premiums appertaining to the System;

(c) the reasonable charges of any paying agent, registrar, transfer agent, depository or escrow bank appertaining to the System or any bonds or other securities issued therefor;

(d) annual payments to pension, retirement, health and hospitalization funds appertaining to the System;

(e) any taxes, assessments, franchise fees or other charges or payments in lieu of the foregoing;

(f) ordinary and current rentals of equipment or other property under any operating leases and rentals with respect to capital leases if the payment of such capital leases is made subject to annual appropriation by the Council;

(g) contractual services, professional services, salaries, administrative expenses, and costs of labor appertaining to the System and the cost of materials and supplies used for current operation or routine maintenance and repair of the System;

(h) repairs and replacements of equipment and other parts of the System necessary to maintain the revenue producing capacity thereof;

(i) the costs incurred in the collection of all or any part of the Income;

(j) any costs of utility services furnished to the System by the Town or otherwise;

(k) reasonable indirect administrative costs incurred by the Town for the benefit of the System;

(l) costs of any professional services related to the calculation, payment or application for refund of arbitrage rebate; and

(m) any other such expenses considered by the Town in determining the amount of fees and charges imposed to cover costs of operation and maintenance of the System.

Except as expressly provided in the Bond Ordinance, "Operation and Maintenance Expenses" do not include:

(a) any allowance for depreciation;

(b) any costs of Improvement, extensions, or betterments;

(c) any accumulation of reserves for capital replacements;

(d) any accumulation of reserves for operation, maintenance, or repair of the System;

(e) any allowance for the redemption of any Bonds or other securities or the payment of any interest thereon;

(f) any liabilities incurred in the Acquisition of any properties comprising the System or any existing properties comprising the System or any combination thereof; and

(g) any other ground of legal liability not based on contract.

“*Operation and Maintenance Account*” means the special account created by the Bond Ordinance and described herein under the caption “Funds and Accounts–Operation and Maintenance Account.”

“*Outstanding*” means as of any particular date, all the Bonds payable in whole or in part from the Net Pledged Revenues which have been authorized, executed and delivered, except the following:

(a) any Bond cancelled by the Paying Agent or otherwise on behalf of the Town on or before such date;

(b) any Bond held by or on behalf of the Town;

(c) any Bond for the payment or the redemption of which moneys or Federal Securities sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to pay all of the Debt Service Requirements of such Bond to the maturity date or specified Redemption Date thereof has theretofore been deposited in escrow or in trust with a Trust Bank for that purpose; and

(d) any lost, destroyed or wrongfully taken Bond in lieu of or in substitution for which another bond or other security has been executed and delivered.

“*Owner*” means the holder of any bearer instrument or registered owner of any registered instrument.

“*Parity Bonds*” means Bonds payable from the Net Pledged Revenues equally or on a parity with the Series 2019 Bonds.

“*Paying Agent*” means UMB Bank, n.a., or a suitable Commercial Bank or Town official designated by Council by Final Terms Certificate to perform the duties of Paying Agent under the Bond Ordinance.

“*Permitted Investments*” means any investment which, as of the time made, is permitted by the laws of the State or the ordinances of the Town pertaining to Town investments to be made with Town funds.

“*Person*” means any individual, firm, partnership, corporation, company, association, joint stock association, limited liability company or body politic or any trustee, receiver, assignee or similar representative thereof.

“*Principal and Interest Account*” means the special fund created by the Bond Ordinance and described herein under the caption “Funds and Accounts–Principal and Interest Account.”

“*Project Account*” means the special fund created by the Bond Ordinance and described herein under the caption “Funds and Accounts–Project Account.”

“*Redemption Date*” means the date fixed for the redemption prior to maturity of any Bonds or other designated Securities payable from the Net Pledged Revenues in any notice of prior redemption given by or on behalf of the Town.

“*Registrar*” means UMB Bank, n.a., or a suitable Commercial Bank or Town official designated by Final Terms Certificate to perform the duties of Registrar under the Bond Ordinance.

“*Regular Record Date*” means the fifteenth day of the calendar month next preceding an Interest Payment Date for the Series 2019 Bonds.

“*Security*” or “*Securities*” means any bond or note issued by the Town or any other evidence of the advancement of money to the Town.

“*Series 2019 Bonds*” means the Marina Enterprise Revenue Bonds, Series 2019, to be issued under the Bond Ordinance in an aggregate principal amount of \$5,630,000.*

“*Series 2019 Debt Service Reserve Account*” means the special account created by the Bond Ordinance and described herein under the caption “Funds and Accounts–Series 2019 Debt Service Reserve Account.”

“*Special Record Date*” means the date fixed by the Paying Agent for the determination of ownership of the Series 2019 Bonds for the purpose of paying interest not paid when due or interest accruing after maturity.

“*State*” means the State of Colorado.

“*Subordinate Bonds*” or “*Subordinate Securities*” means Bonds or Securities payable from the Net Pledged Revenues having a lien thereon subordinate or junior to the lien thereon of the Parity Bonds.

“*Superior Bonds*” or “*Superior Securities*” means Bonds or Securities payable from the Net Pledged Revenues having a lien thereon superior or senior to the lien thereon of the Bonds.

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

“*Surplus Account*” means the special account created by the Bond Ordinance and described herein under the caption “Funds and Accounts–Surplus Account.”

“*System*” means the Frisco Bay Marina facilities presently owned and operated by the Town, and any improvements thereto, together with any other marina facilities specifically added to the System by ordinance of the Town Council, together with Improvements to the foregoing.

“*Tax Code*” means the Internal Revenue Code of 1986, as amended.

“*Town*” means the Town of Frisco, Colorado, acting as such or, as the context requires, acting by and through and as the operator of the Enterprise.

* Preliminary; subject to change.

“*Transfer Agent*” means UMB Bank, n.a., or a suitable Commercial Bank or Town official designated by Final Terms Certificate to perform the duties of Transfer Agent under the Bond Ordinance.

“*Trust Bank*” means a Commercial Bank which is authorized to exercise and is exercising trust powers.

“*Underwriter*” means George K. Baum & Company, the original underwriter of the Series 2019 Bonds.

Funds and Accounts

The proceeds of the Series 2019 Bonds and the Income are to be deposited by the Town in the funds and accounts described in Article III of the Bond Ordinance , to be accounted for in the manner and priority set forth in Article III of the Bond Ordinance and described under this Section of this Appendix A.

The Net Pledged Revenues and all moneys and securities paid or to be paid to or held or to be held in any fund or account under the Bond Ordinance (except the Operation and Maintenance Account and the Excess Investment Earnings Account) are pledged pursuant to the Bond Ordinance to secure the payment of the Debt Service Requirements of the Series 2019 Bonds, subject to the provisions of the Bond Ordinance relating to the Project Account and subject to the application of the Net Pledged Revenues for the payment of Debt Service Requirements of Parity Bonds. This pledge is to be valid and binding from and after the date of the first delivery of the Series 2019 Bonds, and the moneys, as received by the Town and pledged, are to be immediately subject to the lien of this pledge without any physical delivery thereof, any filing or further act. The lien of this pledge and the obligation to perform the contractual provisions of the Bond Ordinance have priority over any or all other obligations and liabilities of the Town (except as otherwise expressly provided in the Bond Ordinance), and the lien of this pledge is to be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Town (except as otherwise expressly provided in the Bond Ordinance), irrespective of whether such parties have notice thereof.

Project Account. Proceeds of the Series 2019 Bonds are to be deposited, in an amount to be determined by Final Terms Certificate, in a special account created within the Marina Enterprise Fund of the Town pursuant to the Bond Ordinance to be known as the Marina Enterprise Revenue Bonds, Series 2019, Project Account (the “Project Account”). Moneys on deposit in the Project Account are to be used to pay costs of the Project, including any reimbursement to the Town for costs of the Project previously paid from the Marina Enterprise Fund of the Town, costs of issuance of the Series 2019 Bonds and other incidental costs necessary or appropriate in connection with the Project and the financing thereof. Moneys in the Project Account, and interest or investment income thereon, are not included within the Net Pledged Revenues and do not constitute security for the Series 2019 Bonds. Moneys and investments in the Project Account are to be held and applied by the Town to the completion of the Project. Upon completion of the Project, the balance of moneys in the Project Account, if any, are to be transferred to the Principal and Interest Account, to be used for the purposes of said Account in accordance with the Bond Ordinance.

Marina System Fund and Flow of Funds. Except as otherwise provided in the Bond Ordinance, the entire Income, upon receipt thereof from time to time by the Town, is to be set aside and credited immediately to the Marina System Fund, which constitutes a subfund of the Marina Enterprise Fund of the Town. In addition, the Town may at its option credit to the Marina System Fund any other moneys of the Town legally available for expenditure for the purposes of the Marina System Fund as provided in the

Bond Ordinance. The Marina System Fund is to be administered and the moneys on deposit therein are to be deposited and applied in the following order of priority:

FIRST, to the Operation and Maintenance Account to pay Operation and Maintenance Expenses, as described in the Section captioned “Funds and Accounts–*Operation and Maintenance Account*” below;

SECOND, to the Principal and Interest Account to pay the Debt Service Requirements of the Parity Bonds then Outstanding in the manner described in the Section captioned “Funds and Accounts–*Principal and Interest Account*” below;

THIRD, to the Series 2019 Debt Service Reserve Account, in the manner described in the Section captioned “Funds and Accounts–*Debt Service Reserve Account*” below;

FOURTH, to the payment of Debt Service Requirements of Subordinate Bonds or other Subordinate Securities as described in the Section captioned “Funds and Accounts–*Payment of Subordinate Securities*” below;

FIFTH, to the Surplus Account, from time to time, as described in the Section captioned “Funds and Accounts–*Surplus Account*” below; and

SIXTH, to be used as described in the Sections captioned “Funds and Accounts–*Termination of Deposits*” and “–*Use of Remaining Revenues*” below.

In order to give effect to the requirements of the Code and the Bond Ordinance, the Town may to the extent necessary advance, subject to reimbursement, Income required for the payment of Operation and Maintenance Expenses from funds earmarked for capital facilities, and may also to the extent necessary advance, subject to reimbursement, Net Pledged Revenues required for the payment of the Debt Service Requirements of Parity Bonds from funds earmarked for operation and maintenance, including the Operation and Maintenance Account.

Operation and Maintenance Account. As a first charge on the Marina System Fund, there is to be credited from time to time to the Operation and Maintenance Account, created within the Marina System Fund pursuant to the Bond Ordinance, moneys sufficient to pay the Operation and Maintenance Expenses of the System as they become due and payable, and thereupon the Operation and Maintenance Expenses are to be promptly paid.

Principal and Interest Account. The Town is to deposit into the Principal and Interest Account, created within the Marina System Fund pursuant to the Bond Ordinance, forthwith upon receipt of the proceeds of the Series 2019 Bonds, interest accrued thereon, if any, from their date to the date of delivery thereof to the Owners, to apply to the payment of interest first due on the Series 2019 Bonds.

Subject to the payment of Operation and Maintenance Expenses described above, for so long as the Series 2019 Bonds are Outstanding, the Town is to deposit into the Principal and Interest Account from the Net Pledged Revenues [semiannually, no less than seven days prior to the next occurring Interest Payment Date,] the amount of interest accruing on the Series 2019 Bonds during said period (with a credit for the amount of any accrued or capitalized interest deposited in the Principal and Interest Account and not theretofore credited) and, after the first Interest Payment Date of the Series 2019 Bonds, no less than seven days prior to the next occurring Interest Payment Date the following amounts:

(a) **Interest Payments.** The aggregate amount of the next installment of interest due in the then current Bond Year in connection with the Series 2019 Bonds plus any other amounts due for interest on any other Parity Bonds then Outstanding; and

(b) **Principal Payments.** The aggregate amount of the next installment of principal due in the then current Bond Year in connection with the Series 2019 Bonds plus any other amounts due for principal of any other Parity Bonds then Outstanding.

Such interest and principal must be promptly paid when due.

The moneys credited to the Principal and Interest Account, excluding investment earnings which may be required to be rebated to the federal government, are to be used to pay the Debt Service Requirements of the Parity Bonds then Outstanding, as such Debt Service Requirements become due, except as otherwise provided in the Bond Ordinance or other ordinances authorizing Parity Bonds. The Principal and Interest Account is to also be maintained as a sinking fund for the mandatory redemption of any Parity Bonds which are subject to mandatory sinking fund redemption. Any mandatory sinking fund redemption of principal is to be treated as an installment of principal for purposes of this Section of this Appendix A.

Series 2019 Debt Service Reserve Account. The Town is to deposit into the Series 2019 Debt Service Reserve Account, at the time of issuance of the Series 2019 Bonds, a sum, determined by Final Terms Certificate, equal to the lesser of 10% of the proceeds of the Series 2019 Bonds, the Maximum Annual Debt Service Requirements of the Series 2019 Bonds coming due in any Bond Year or 125% of the average Debt Service Requirements of the Series 2019 Bonds. Subject to the payments of Operation and Maintenance Expenses and principal and interest on the Series 2019 Bonds required by the Bond Ordinance and except as described under the caption “Funds and Accounts–Termination of Deposits” below, from the Net Pledged Revenues, there are to be credited from time to time as hereinafter described to the Series 2019 Debt Service Reserve Account moneys sufficient to accumulate in and maintain the Series 2019 Debt Service Reserve Account at an amount at least equal to the amount so determined. In the event that the amount of the Series 2019 Debt Service Reserve Account falls below the amount determined by Final Terms Certificate, the Town is to credit to the Series 2019 Debt Service Reserve Account from Net Pledged Revenues or may credit to the Series 2019 Debt Service Reserve Account from the Surplus Account, to the extent such funds are available, that sum of money needed to accumulate or reaccumulate the amount therein so that at all times the amount of the Series 2019 Debt Service Reserve Account equals the amount specified in such Final Terms Certificate. The moneys required to be deposited in the Series 2019 Debt Service Reserve Account, excluding investment earnings which may be required to be rebated to the federal government, are to be set aside, accumulated and, if necessary, reaccumulated from time to time, and maintained as a continuing reserve to be used, except as hereinafter described in this Section of this Appendix A, under the caption “Funds and Accounts–Termination of Deposits” below and under the caption “Defeasance” hereof, only to prevent deficiencies in payment of the Debt Service Requirements of the Series 2019 Bonds then Outstanding resulting from failure to deposit into the Principal and Interest Account sufficient funds to pay such Debt Service Requirements as the same become due. The Series 2019 Debt Service Reserve Account is not required to be maintained after the Series 2019 Bonds are no longer Outstanding.

If at any time the Town for any reason fails to pay into the Principal and Interest Account the full amount above stipulated to be paid with respect to the Series 2019 Bonds, then an amount is to be paid into the Principal and Interest Account at such time first from the Surplus Account, to the extent such funds are available, equal to the difference between that paid from the Net Pledged Revenues and the full amount so stipulated. If the amount so applied remains insufficient to satisfy the Debt Service Requirements then due, the difference is to be paid into the Principal and Interest Account from the Series

2019 Debt Service Reserve Account. Any money so used from the Series 2019 Debt Service Reserve Account are to be replaced to the Series 2019 Debt Service Reserve Account from the first moneys credited to the Marina System Fund thereafter received and not required to be otherwise applied to the payment of Operation and Maintenance Expenses and/or the payment of principal and interest on the Series 2019 Bonds. If Parity Bonds are Outstanding and the ordinances authorizing the issuance of those Securities require the replacement of moneys in separate reserve accounts therefor, then the moneys replaced in the Series 2019 Debt Service Reserve Account are to be replaced on a pro rata basis based upon the total principal amount of the then Outstanding Parity Bonds and the total principal amount of the Series 2019 Bonds Outstanding, as moneys become available therefor.

If at any time the Town for any reason fails to pay into the Series 2019 Debt Service Reserve Account the full amount stipulated in the Bond Ordinance from the Net Pledged Revenues, the difference between the amount paid and the amount so stipulated is to, in a like manner, be paid therein first from the Surplus Account, to the extent funds are available, and thereafter from the first moneys credited to the Marina System Fund thereafter received and not required to be applied otherwise to the payment of Operation and Maintenance Expenses or to the payment of principal and/or interest on the Series 2019 Bonds.

Nothing in the Bond Ordinance is to be construed as limiting the right of the Town to substitute for the cash deposit required to be maintained in the Series 2019 Debt Service Reserve Account a letter of credit, surety bond, insurance policy, agreement guaranteeing payment, or other undertaking by a financial institution to ensure that cash in the amount otherwise required to be maintained under the Bond Ordinance will be available to the Town as needed; provided that any such substitution must not cause the then current rating or ratings of the Series 2019 Bonds or any other Parity Bonds to be adversely affected.

If the Series 2019 Bonds are no longer Outstanding, the Town may apply any remaining funds in the Series 2019 Debt Service Reserve Account to any other lawful purpose.

Termination of Deposits. No payment need be made into the Principal and Interest Account if the amount in the Principal and Interest Account and the amount in the Series 2019 Debt Service Reserve Account totals a sum at least equal to the entire amount of the Outstanding Parity Bonds, as to all Debt Service Requirements, to their respective maturities or to any Redemption Date or Redemption Dates as of which the Town has exercised or has obligated itself to exercise its option to redeem, prior to their respective maturity dates, any Parity Bonds then Outstanding and thereafter maturing (provided that, solely for the purpose of this Section of this Appendix A, there is to be deemed to be a credit to the Series 2019 Debt Service Reserve Account of moneys, Federal Securities and bank deposits, or any combination thereof, accounted for in any other fund or account of the Town and restricted solely for the purpose of paying the Debt Service Requirements of such Parity Bonds), in which case moneys in the Principal and Interest Account and the Series 2019 Debt Service Reserve Account in an amount, except for any known interest or other gain to accrue from any investment or deposit of moneys as described under the caption “General Administration of Funds—Investment of Funds” of this Appendix A from the time of any such investment or deposit to the time or respective times the proceeds of any such investment or deposit is needed for such payment, at least equal to such Debt Service Requirements, is to be used together with any such gain from such investments and deposits solely to pay such Debt Service Requirements as the same become due. Any moneys in excess thereof in the Principal and Interest Account and the Series 2019 Debt Service Reserve Account and any other moneys derived from the Income or otherwise pertaining to the System may be used in any lawful manner determined by the Town.

Payment of Subordinate Securities. After there has been deposited to the Principal and Interest Account an amount sufficient to pay all the Debt Service Requirements due during the current Bond Year on all Parity Bonds then Outstanding and after the accumulations to and replenishments of the Series

2019 Debt Service Reserve Account to be made in the current Bond Year have been made, any moneys remaining in the Marina System Fund for such Bond Year may be used by the Town for the payment of Debt Service Requirements of Subordinate Securities payable from the Net Pledged Revenues and authorized to be issued in accordance with the Bond Ordinance including reasonable reserves for such Subordinate Securities; but the lien of such Subordinate Securities on the Net Pledged Revenues and the pledge thereof for the payment of such Subordinate Securities is to be subordinate to the lien and pledge of any Outstanding Parity Bonds as provided in the Bond Ordinance.

Use of Remaining Revenues. After the payments required by the Bond Ordinance to be made are made, at the end of any Bond Year, or whenever in any Bond Year there has been credited to the Principal and Interest Account and the Series 2019 Debt Service Reserve Account all amounts required to be deposited in those special funds during said Bond Year, as provided in the Bond Ordinance, any remaining moneys credited to the Marina System Fund may be used for the Acquisition of Improvements or other properties or facilities for the System or for any one or any combination of other lawful purposes as the Town may from time to time determine.

Budget and Appropriation of Sums. The proceeds of the Series 2019 Bonds, together with all sums provided to make the payments specified in the Bond Ordinance are appropriated by the Bond Ordinance for said purposes, and in each year said amounts are to be included in the annual budget and the appropriation ordinance or measures to be adopted or passed by the Council in each year respectively while the Series 2019 Bonds, either as to principal or interest, is Outstanding and unpaid. No provisions of any constitution, charter, statute, ordinance, resolution or other order or measure enacted after the issuance of the Series 2019 Bonds is to in any manner be construed as limiting or impairing the obligation of the Town to keep and perform the covenants contained in the Bond Ordinance so long as the Series 2019 Bonds remain Outstanding and unpaid. Nothing in the Bond Ordinance may prohibit the Council from appropriating other legally available funds of the Town to the Marina System Fund for the purposes thereof.

Excess Investment Earnings Account. The Finance Director is to transfer into and pay from the Excess Investment Earnings Account created by the Bond Ordinance within the Marina System Fund the amount of required arbitrage rebate, if any, due to the federal government under Sections 103 and 148(f)(2) of the Tax Code and regulations promulgated thereunder. The Finance Director is to determine such amounts in the manner required by said sections and related regulations and Section 6.20(b) of the Bond Ordinance. Transfer of the required arbitrage rebate amounts is to be made from the Principal and Interest Account, the Series 2019 Debt Service Reserve Account or any other legally available funds of the Town or the Enterprise; provided, however, that required arbitrage rebate payments are to be made to the federal government from legally available funds regardless of whether there are any remaining proceeds or other funds attributable to the Series 2019 Bonds that are available for the purpose.

All amounts in the Excess Investment Earnings Account, including income earned from investment thereof, are to be held by the Finance Director free and clear of any lien created by the Bond Ordinance, and the Finance Director is to remit the same to the federal government from time to time to the extent required by the Bond Ordinance.

Surplus Account. After the issuance of the Series 2019 Bonds, the Town is to deposit from time to time in the Surplus Account, created within the Marina System Fund pursuant to the Bond Ordinance, legally available monies of the Enterprise, up to the amount of \$_____ (the “Maximum Surplus Amount”). The Town is to fund the Surplus Account from one-half of any moneys received by the Enterprise in excess of its annual Operation and Maintenance Expenses and debt service requirements of the Series 2019 Bonds until the Surplus Account is funded to the Maximum Surplus Amount. The Town has no obligation to fund the Surplus Account in any amount from any other sources nor to fund the

Surplus Account beyond the Maximum Surplus Amount or to replenish the Surplus Account in the event of a draw on the Surplus Account. Funds in the Surplus Account are to be applied solely to the timely payment of Debt Service Requirements of the Series 2019 Bonds, the payment of Operation and Maintenance Expenses (as and when deemed necessary by the Town, regardless of amounts on deposit in the Operation and Maintenance Account) and the payment of any Costs of the Project (as and when deemed necessary by the Town after expenditure of all amounts on deposit in the Project Account) to ensure the completion of the Project, and are not to be used or pledged to the payment of any other obligations.

In the event the amounts credited to the Principal and Interest Account and available to pay the Series 2019 Bonds are insufficient to pay the principal of, premium if any, or interest on the Series 2019 Bonds when due and there are moneys available in the Surplus Account, the Town is to transfer to the Principal and Interest Account from the Surplus Account an amount which, when combined with moneys in the Principal and Interest Account, would be sufficient to make such payments when due. Any additional shortcomings after such transfer from the Surplus Account are to be paid from the Series 2019 Debt Service Reserve Account. In the event the amounts in the Principal and Interest Account, the Surplus Account and the Series 2019 Debt Service Reserve Account are insufficient to pay all principal, premium if any, and interest on any due date, the Town is to nonetheless transfer all moneys in the Surplus Account to the Principal and Interest Account and use such moneys for the purpose of making partial payments as described in this Section. Amounts in the Surplus Account are not to be used to redeem Series 2019 Bonds being called pursuant to any optional redemption provisions of the Bond Ordinance, but may be used to pay Series 2019 Bonds coming due as a result of any mandatory sinking fund redemption. Amounts are to be transferred to the Principal and Interest Account from the Surplus Account before any amounts are transferred from the Series 2019 Debt Service Reserve Account.

Moneys credited to the Surplus Account may be invested as provided in the Bond Ordinance. All interest income from the investment or reinvestment of moneys credited to the Surplus Account is to be retained in the Surplus Account. Notwithstanding the preceding, the amount on deposit in the Surplus Account may never exceed the amount of the Maximum Surplus Amount. On each Interest Payment Date, any funds in excess of the Maximum Surplus Amount are to be transferred from the Surplus Account to the Principal and Interest Account.

General Administration of Funds

Places and Times of Deposits. Each of the special funds or accounts created or referred to in the Bond Ordinance are to be maintained as a book account of the Town and all moneys accounted for therein must at all times be either deposited in a Commercial Bank or invested in Permitted Investments. For purposes of such deposits or investments of moneys, nothing in the Bond Ordinance prevents the commingling of moneys accounted for in any two or more such funds or accounts pertaining to the Income. Such funds or accounts are to be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and are to be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes of such funds or accounts. Each periodic payment is to be credited to the proper fund or account not later than the date therefor designated in the Bond Ordinance, except that when any such date is a Saturday, a Sunday or a legal holiday, then such payment is to be made on or before the next preceding business day.

Investment of Funds. Any moneys in any fund or account described in this Appendix A may be invested, re-invested or deposited only in Permitted Investments. Securities or obligations purchased as such investments must either be subject to redemption at any time at face value by the Owner thereof at the option of such Owner or must mature at such time or times as most nearly coincide with the expected need for moneys from the fund or account in question. Securities or obligations so purchased as an

investment of moneys in any such fund or account are to be deemed at all times to be a part of the applicable fund or account; provided that (with the exception of the Series 2019 Debt Service Reserve Account and the Excess Investment Earnings Account) the interest accruing on such investments and any profit realized therefrom is to be credited to the Marina System Fund, and any loss resulting from such investments is to be charged to the particular fund or account in question. Interest and profit realized from investments in the Series 2019 Debt Service Reserve Account is to be credited to the Series 2019 Debt Service Reserve Account; provided that so long as the amount in the Series 2019 Debt Service Reserve Account equals at least the minimum amount specified in the Final Terms Certificate, such interest and profit may be transferred to the Principal and Interest Account and distributed in the same manner as other moneys in the Principal and Interest Account. Any loss resulting from such investments in the Series 2019 Debt Service Reserve Account is to be charged to the Series 2019 Debt Service Reserve Account. The Town is to present for redemption or sale on the prevailing market any securities or obligations so purchased as an investment of moneys in a given fund or account whenever it is necessary to do so in order to provide moneys to meet any required payment or transfer from such fund or account. The Town must not invest any moneys accounted for under the Bond Ordinance if any such investment would contravene the covenant concerning arbitrage in the Bond Ordinance.

Priorities; Liens; Issuance of Additional Securities

First Lien on Net Pledged Revenues; Equality of Bonds. Except as expressly provided in the Bond Ordinance with respect to Parity Bonds and Subordinate Securities, the Net Pledged Revenues are irrevocably pledged and set aside to pay the Debt Service Requirements of the Series 2019 Bonds. The Outstanding Parity Bonds constitute an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Net Pledged Revenues. Any Parity Bonds authorized, issued and from time to time Outstanding are equitably and ratably secured by a lien on the Net Pledged Revenues and are not entitled to any priority one over the other in the application of the Net Pledged Revenues regardless of the time or times of the issuance thereof, it being the intention of the Council that there is no priority among Parity Bonds, regardless of the fact that they may be actually issued and delivered at different times.

Issuance of Additional Parity Bonds. Nothing in the Bond Ordinance, except the limitations described in this Section of this Appendix A, prevents the issuance by the Town of additional Parity Bonds payable from the Net Pledged Revenues and constituting a lien on the Net Pledged Revenues on a parity with, but not prior or superior to, the lien thereon of the Series 2019 Bonds; but before any such Parity Bonds are authorized or actually issued the Town must satisfy the following conditions:

(a) **Absence of Default.** At the time of the adoption of the supplemental ordinance or other instrument authorizing the issuance of the Parity Bonds, the Town must not be in default in making any payments required by the Bond Ordinance.

(b) **Historic Revenues Test.**

(i) Except as provided in the Bond Ordinance in the case of additional Parity Bonds issued for the purpose of refunding less than all of the Bonds and other Parity Bonds then outstanding, the Net Pledged Revenues for the last complete Fiscal Year prior to the issuance of the proposed additional Parity Bonds, as certified by the Town Manager, must have been equal to at least 125% of the Maximum Annual Debt Service Requirements of the Parity Bonds then Outstanding and the Parity Bonds proposed to be issued.

(ii) If any adjustment in rates, fees, tolls or charges is made by the Town during such Fiscal Year, the Town Manager is to adjust the calculation of the Net

Pledged Revenues to reflect the amount thereof that would have been received if such adjustment had been in effect throughout such Fiscal Year.

(iii) For purposes of this historic revenues test, when computing the Maximum Annual Debt Service Requirements for any issue of Parity Bonds bearing interest at a variable, adjustable, convertible or other similar rate which is not fixed for the entire term thereof, it is to be assumed that any such securities outstanding at the time of the computation will bear interest during any period, if the interest rate for such periods has not been determined, at a fixed rate equal to the higher of ___% per annum or the highest interest rate borne during the preceding 24 months by Outstanding securities of the Town (excluding securities issued pursuant Part 1 of Article 3 of Title 29, Colorado Revised Statutes, as amended, or other similar securities) bearing interest at a variable, adjustable, convertible or other similar rate or, if no such securities of the Town are outstanding at the time of the computation, by any similar securities for which the interest rate is determined by reference to an index comparable to that to be utilized in connection with the securities proposed to be issued, or if the interest rate for such period has been determined and is not subject to variation, adjustment or conversion prior to the expiration of such period, at the rate so determined. It is further assumed that any such securities which may be tendered prior to maturity for purchase at the option of the Owner thereof will mature on their stated maturity or mandatory redemption dates.

(iv) In the case of additional Parity Bonds issued for the purpose of refunding less than all of the Bonds and other Parity Bonds then Outstanding, compliance with this historic revenues test is not required so long as the Debt Service Requirements payable as to all Bonds and other Parity Bonds Outstanding after the issuance of such Parity Bonds on each Interest Payment Date do not exceed the Debt Service Requirements payable on all Bonds and other Parity Bonds Outstanding prior to the issuance of such Parity Bonds on such Interest Payment Date.

Subordinate Securities Permitted. Nothing in the Bond Ordinance, except the limitations described under the caption “Priorities; Liens; Issuance of Additional Securities—Supplemental Ordinances”, prevents the Town from issuing Subordinate Securities for any lawful purpose, so long as, at the time of adoption of the supplemental ordinance or other instrument authorizing the issuance of Subordinate Securities, the Town is not in default in making any payments required in connection with any Outstanding Parity Bonds.

Superior Securities Prohibited. The Town agrees in the Bond Ordinance not to issue any Superior Bonds or Superior Securities.

Supplemental Ordinances. Parity Bonds or Subordinate Securities are to be issued only after authorization thereof by ordinance, supplemental ordinance or other instrument of the Council, in substantially the same form as the Bond Ordinance, stating the purpose or purposes of the issuance of such additional Securities, directing the application of the proceeds thereof to such purpose or purposes, directing the execution thereof, and fixing and determining the date, series designation, principal amount, maturity or maturities, maximum rate or rates of interest and prior redemption privileges of the Town with respect thereto, and providing for payments to and from the Marina System Fund in accordance with the Bond Ordinance. All additional Securities are to bear such date, be payable as to principal and interest on the same semiannual dates as the Bonds and be subject to redemption prior to maturity on such terms and conditions, as may be provided, and bear interest at such rate or rates as may be fixed by ordinance, instrument or other document of the Council.

Covenants

Rate Maintenance Covenant. The Town covenants in the Bond Ordinance to prescribe, revise and collect rates, fees and charges for use of the System which would produce Income sufficient, together with any other moneys legally available therefor and credited to the Marina System Fund, to make the payments and accumulations required by the Bond Ordinance; and which would produce Income sufficient, after payment of Operation and Maintenance Expenses, to pay an amount at least equal to 125% of the Combined Annual Debt Service Requirements for the Outstanding Parity Bonds. Such Income remaining after payment of Operation and Maintenance Expenses and the Debt Service Requirements of Outstanding Parity Bonds must also be sufficient to pay 100% of the Combined Annual Debt Service Requirements of all Outstanding Subordinate Securities, plus any amounts required to meet then existing deficiencies pertaining to any fund or account relating to the Net Pledged Revenues or any securities payable therefrom.

The Council covenants to increase rates, fees and charges in such manner and to such extent as to reasonably ensure the payments and accumulations required by the provisions of the Bond Ordinance. If in any year it appears that such rates, fees and charges at any time would not be sufficient to make all of the payments and accumulations required by the Bond Ordinance, the Town is to retain an Independent Rate Consultant to analyze the rate structure and utilization of the Marina System and make a written recommendation concerning any appropriate increases or other changes in such rate structure which would enable the Town to perform its covenants and make all of the payments and accumulations required by the Bond Ordinance. The insufficiency of such rates, fees and charges to make such payments and accumulations would not require any action by the Town to increase rates, fees or charges if, in the opinion of such consultant, the rates, fees and charges being imposed are reasonable and consistent with the maximization of the Net Pledged Revenues. The Town Council, as the governing body of the Enterprise, must promptly review and implement, if reasonably possible, the recommendations of such Independent Rate Consultant. So long as the Town continuously complies with the provisions described in this paragraph, the failure to produce Income annually in an amount sufficient to pay the annual Operation and Maintenance Expenses and 125% of the Combined Annual Debt Service Requirements for the Outstanding Parity Bonds would not constitute an Event of Default under the Bond Ordinance.

Tax Covenant. The Town covenants in the Bond Ordinance to and for the benefit of the Owners that it will at all times do and perform the acts and things necessary or desirable to assure that interest paid on the Series 2019 Bonds is to be excluded from gross income for federal income tax purposes. The Town will not make or permit to be made any use of the original proceeds of the Series 2019 Bonds, or of any moneys treated as proceeds of the Series 2019 Bonds under the Tax Code and applicable regulations, rulings and decisions, or take, permit to be taken or fail to take any action which would adversely affect the exclusion from gross income of the interest on the Series 2019 Bonds under the Tax Code and applicable regulations, rulings and decisions. The Mayor, the Clerk and the Finance Director are authorized to execute and deliver all such additional certificates, covenants or agreements as reasonably necessary to implement and comply with the foregoing covenant.

The Town has designated the Series 2019 Bonds as qualified tax exempt obligations within the meaning of Section 265(b)(3) of the Tax Code. The Town covenants that the aggregate face amount of all tax-exempt obligations issued by the Town, together with governmental entities which derive their issuing authority from the Town or are subject to substantial control by the Town, are not reasonably expected to be more than \$10,000,000 during calendar year 2019.

Other Covenants. Additional covenants by the Town contained in the Bond Ordinance include provisions relating to operation and management of the System in an efficient and economical manner

and maintenance of reasonable and just rates and charges for services furnished by the System. The Town also covenants not to dispose of any System property except as permitted by the Bond Ordinance. The Town covenants to maintain insurance coverage of the System with responsible insurers or self-insurance programs (to the extent available at reasonable cost), to keep accurate records and accounts for the System, to obtain annual audits of the records and accounts relating to the System (which may be part of the annual audit of the general records and accounts of the Town), so long as any of the Series 2019 Bonds remain Outstanding.

Defeasance

When all Debt Service Requirements of the Series 2019 Bonds have been duly paid, the pledge and lien and all obligations under the Bond Ordinance will thereby be discharged and the Series 2019 Bonds will no longer be deemed to be Outstanding within the meaning of the Bond Ordinance. There would be deemed to be such due payment when the Town has placed in escrow or in trust with a Trust Bank, located within or without the State, cash or Federal Securities in an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount wholly or in part may be initially invested) to pay all Debt Service Requirements of the Series 2019 Bonds, as the same become due at their maturity date or upon any Redemption Date as of which the Town has exercised or has obligated itself to exercise its option to call the Series 2019 Bonds for prior redemption. The Federal Securities are to become due prior to the respective times at which the proceeds thereof are needed, in accordance with a schedule established and agreed upon between the Town and such bank at the time of the creation of the escrow or trust, or the Federal Securities are to be subject to redemption at the option of the Owner thereof to assure such availability as so needed to meet such schedule. Nothing in the Bond Ordinance is to be construed to prohibit a partial defeasance of the Series 2019 Bonds in accordance with the provisions of the Bond Ordinance.

Defaults and Remedies

Events of Default. Each of the following events constitutes an Event of Default under the Bond Ordinance:

- (a) **Nonpayment of Principal.** Payment of the principal of the Series 2019 Bonds or any other Parity Bond is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption, or otherwise;
- (b) **Nonpayment of Interest.** Payment of any installment of interest on the Series 2019 Bonds or any other Parity Bond is not made when the same becomes due and payable;
- (c) **Incapacity to Perform.** The Town for any reason becomes incapable of fulfilling its obligations under the Bond Ordinance;
- (d) **Nonperformance of Duties.** The Town fails to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Income or to the System or otherwise, including, without limitation, the Bond Ordinance or the ordinance authorizing any other issue of Parity Bonds, and such failure continues for 60 days after receipt of notice from the Owners of 25% in aggregate principal amount of the Parity Bonds then Outstanding; provided that if such failure cannot be cured within such 60 days and if during that period corrective action has commenced to remedy such failure and subsequently is diligently pursued by the Town to the completion of such performance, an Event of Default would not be deemed to have occurred;

(e) **Failure to Reconstruct.** The Town discontinues or unreasonably delays or fails to carry out with reasonable dispatch the reconstruction of any essential part of the System which is condemned, destroyed or damaged and is not promptly repaired or replaced (whether such failure to repair the same is due to impracticality of such repair or replacement, or is due to a lack of moneys therefor, or for other reason);

(f) **Appointment of Receiver.** An order or decree is entered by a court of competent jurisdiction, with the consent or acquiescence of the Town, appointing a receiver or receivers for the System or for the Income and any other moneys subject to the lien to secure the payment of the Series 2019 Bonds or any other Parity Bond, or both the System and such moneys, or if any order or decree, having been entered without the consent or acquiescence of the Town, is not vacated or discharged or stayed on appeal within 60 days after entry; and

(g) **Default of Any Provision.** The Town defaults in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions on its part to be performed, contained in the Series 2019 Bonds or any Parity Bond, or in the Bond Ordinance or the ordinance authorizing any issue of Parity Bonds, and if such default continues for 60 days after written notice, specifying such default and requiring the same to be remedied, is given to the Town by the Owners of 25% in aggregate principal amount of the Parity Bonds then Outstanding; provided that if such failure cannot be cured within such 60 days and if during that period corrective action has been commenced to remedy such default and subsequently is diligently pursued to the completion of such performance, an Event of Default would not be deemed to have occurred.

Remedies for Defaults. Upon the happening and continuance of any of the Events of Default, as described under the caption “Defaults and Remedies—Events of Default”, then and in every case the Owner or Owners of not less than 25% in aggregate principal amount of the Parity Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the Town and its agents, officers and employees to protect and to enforce the rights of any Owner of Parity Bonds under the Bond Ordinance or the ordinance authorizing any other issue of Parity Bonds by mandatory injunction or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or an operating trustee or for the specific performance of any covenant or agreement contained in the Bond Ordinance or for any proper legal or equitable remedy as such Owner or Owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any such Owner or Owners, or to require the Town to act as if it were the trustee of an express trust, or any combination of such remedies or as otherwise may be authorized by any statute or other provision of law. All such proceedings at law or in equity are to be instituted, had and maintained for the equal benefit of all Owners of Parity Bonds then Outstanding. Any receiver or operating trustee appointed in any proceedings to protect the rights of such Owners under the Bond Ordinance or under the ordinance authorizing any other issue of Parity Bonds may collect, receive and apply all Income arising after the appointment of such receiver or operating trustee in the same manner as the Town itself might do. The consent to any such appointment is expressly granted by the Town.

Rights and Privileges Cumulative. The failure of any Owner of any Outstanding Parity Bond to proceed in any manner provided in the Bond Ordinance would not relieve the Town or any of its officers, agents or employees of any liability for failure to perform to carry out any duty, obligation or other commitment. Each right or privilege of any such Owner or trustee therefor is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any such Owner would not be deemed a waiver of any other right or privilege thereof. Each such Owner is entitled to all of the privileges, rights and remedies provided or permitted in the Bond Ordinance and as

otherwise provided or permitted by law or in equity or by statute, except as otherwise provided in the Bond Ordinance, and subject to the applicable provisions concerning the Income and the proceeds of the Series 2019 Bonds. Nothing in the Bond Ordinance affects or impairs the right of any such Owner to enforce the payment of the Debt Service Requirements due in connection with such Owner's Securities or the obligation of the Town to pay the Debt Service Requirements of each Security to the Owner thereof at the time and the place expressed in such Security.

Duties upon Default. Upon the happening of any of the Events of Default as described under the caption "Defaults and Remedies—Events of Default", the Town, in addition, will do and perform all proper acts on behalf of and for the Owners of the Outstanding Parity Bonds to protect and to preserve the security pledged for the payment of their Parity Bonds and to ensure the payment of the Debt Service Requirements promptly as the same become due. During any period of default, so long as any Parity Bonds, as to any Debt Service Requirements, are Outstanding, except to the extent it may be unlawful to do so, all Net Pledged Revenues are to be paid into the Principal and Interest Account on an equitable and prorated basis, and used for the purposes therein provided. If the Town fails or refuses to proceed as described in this Section, the Owner or Owners of not less than 25% in aggregate principal amount of the Parity Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of the Outstanding Parity Bonds as hereinabove described; and to that end any such Owners of the Outstanding Parity Bonds are subrogated to all rights of the Town under any agreement or contract involving the Net Pledged Revenues entered into prior to the effective date of the Bond Ordinance or thereafter while any of the Parity Bonds are Outstanding. Nothing in the Bond Ordinance requires the Town to proceed as described in this Section if it determines in good faith and without any abuse of its discretion that if it so proceeds it is more likely than not to incur a net loss rather than a net gain or that such action is likely to affect materially and prejudicially the Owners of any Outstanding Parity Bonds.

Amendment of Bond Ordinance

Amendments of Ordinance Not Requiring Consent of Parity Bond Owners. The Town may, without the consent of, or notice to, the Owners of the Outstanding Parity Bonds, adopt ordinances amendatory or supplemental to the Bond Ordinance (which amendments or supplements will thereafter form a part of the Bond Ordinance) for any one or more or all of the following purposes:

- (a) to cure or correct any formal defect, ambiguity or inconsistent provision contained in the Bond Ordinance;
- (b) to appoint successors to the Paying Agent, Registrar or Transfer Agent;
- (c) to designate a trustee for the Owners of the Outstanding Parity Bonds, to transfer custody and control of the Income to such trustee, and to provide for the rights and obligations of such trustee;
- (d) to add to the covenants and agreements of the Town or the limitations and restrictions on the Town set forth in the Bond Ordinance;
- (e) to pledge additional revenues, properties or collateral to the payment of the Outstanding Parity Bonds;
- (f) to cause the Bond Ordinance to comply with the Trust Indenture Act of 1939, as amended from time to time; or

(g) to effect any such other changes to the Bond Ordinance which do not materially adversely affect the interests of the Owners of the Outstanding Parity Bonds.

The Owners are to receive notice of the adoption of any amendment pursuant to this Section.

Amendment of Bond Ordinance Requiring Consent of Owners. Exclusive of the amendatory ordinances described in the immediately preceding Section, the Bond Ordinance may be amended or modified by ordinances or other instruments duly adopted by the Council, without receipt by it of any additional consideration, but with the written consent of the Owners of 66% in aggregate principal amount of the Parity Bonds then Outstanding at the time of the adoption of such amendatory ordinance; provided that no such amendatory ordinance may permit, without the consent of the Owner of the Parity Bond or Bonds affected thereby:

(a) **Changing Payment.** A change in the maturity or in the terms of redemption of the principal of any Parity Bond or any installment of interest thereon;

(b) **Reducing Return.** A reduction in the principal amount of any Parity Bond or the rate of interest thereon;

(c) **Prior Lien.** The creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by this Ordinance;

(d) **Modifying Amendment Terms.** A reduction of the principal amount or percentages of the Outstanding Parity Bonds, or any modification otherwise affecting the description of any Parity Bonds, or otherwise changing the consent of the Owners of Parity Bonds, which may be required for any amendment to the Bond Ordinance;

(e) **Priorities Between Issues of Parity Bonds.** The establishment of priorities as between the Series 2019 Bonds or any other Parity Bonds under the provisions of this Ordinance or any other ordinance authorizing Parity Bonds; or

(f) **Partial Modification.** Any modifications otherwise materially and prejudicially affecting the rights or privileges of the Owners of less than all of the Parity Bonds then Outstanding.

Whenever the Council proposes to amend or modify the Bond Ordinance under the provisions described in this Section, it must give notice of the proposed amendment by mailing such notice to the Owners or to any successor thereof known to the Town Clerk and to all Owners of Parity Bonds, if applicable, and to the Owners at the addresses appearing on the registration books of the Town, or by electronic means to DTC or its successors. Such notice must briefly set forth the nature of the proposed amendment and state that a copy of the proposed amendatory ordinance or other instrument is on file in the office of the Town Clerk for public inspection.

APPENDIX B

**PROPOSED FORM OF OPINION OF
KUTAK ROCK LLP, BOND COUNSEL**

February __, 2019

Town of Frisco
Frisco, Colorado

George K. Baum & Co.
Denver, Colorado

\$5,630,000*
Town of Frisco, Colorado,
acting by and through its Marina Enterprise,
Marina Enterprise Revenue Bonds
Series 2019

Ladies and Gentlemen:

We have been engaged by the Town of Frisco, Colorado (the “Town”) to act as bond counsel in connection with the issuance of the above bonds (the “Series 2019 Bonds”). The Series 2019 Bonds are being issued by the Town, acting by and through its Marina Enterprise (the “Enterprise”), pursuant to Town Ordinance No. __ (the “Bond Ordinance”), as supplemented by a Final Terms Certificate dated February __, 2019 (the “Final Terms Certificate”). The Bond Ordinance, as supplemented by the Final Terms Certificate, is referred to herein as the “Ordinance.” Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Ordinance.

In our capacity as bond counsel, we have examined the Constitution and the laws of the State of Colorado (the “State”), the home rule charter (the “Charter”) of the Town, and the regulations, rulings and judicial decisions relevant to the opinions set forth in paragraph 2 below; the transcript of the proceedings relating to the issuance of the Series 2019 Bonds; the Ordinance, and such other certificates, documents, opinions and papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certifications in the transcript of proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon and in reliance on the foregoing, we are of the opinion, under existing law and as of the date hereof, that:

1. The Series 2019 Bonds have been duly authorized, executed and delivered by the Town under the laws of the State of Colorado now in force and are valid and binding special and limited obligations of the Town, acting by and through the Enterprise, payable on the terms, and subject to the conditions, stated in the Ordinance, and enforceable according to their terms except to the extent such enforcement is limited by the bankruptcy laws of the United States of America, by the reasonable exercise of the sovereign police power of the State of Colorado, and by the exercise of the powers delegated to the United States of America by the federal constitution.

* Preliminary; subject to change

2. Under existing laws, regulations, rulings and judicial decisions, interest on the Series 2019 Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Also, because the Series 2019 Bonds have been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, in the case of certain banks, thrift institutions or other financial institutions owning the Series 2019 Bonds, a deduction is allowed for 80% of that portion of such institutions’ interest expense allocable to the Series 2019 Bonds.

3. Under Colorado statutes existing on the date hereof, to the extent interest on the Series 2019 Bonds is excludable from gross income for federal income tax purposes, interest on the Series 2019 Bonds is excludable from gross income for State of Colorado income tax purposes and from the calculation of Colorado alternative minimum tax.

The opinions expressed in numbered paragraphs (2) and (3) assume the accuracy of the Town’s representations and compliance by the Town of the covenants designed to satisfy the requirements of the Code that must be satisfied subsequent to the issuance of the Series 2019 Bonds. The Town has covenanted to comply with all such requirements. The failure to comply with certain of such requirements may cause interest on the Series 2019 Bonds to be included in gross income for federal and state income tax purposes retroactive to the date of issuance of the Series 2019 Bonds. We express no opinion regarding other federal or state tax consequences arising with respect to the Series 2019 Bonds.

We express no opinion herein with respect to the accuracy, completeness or sufficiency of any documents prepared or used or statements made in connection with the offering or sale of the Series 2019 Bonds.

This opinion is delivered based and in reliance upon our examination of the laws, documents and other items specifically described in the second paragraph hereof on the date hereof and we have no obligation to supplement or update this opinion based on or with respect to changes in such laws, documents or other items or with respect to any other event that occurs after the date hereof. The opinions expressed in this letter are given as of the date hereof, and we assume no obligation to update, revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX C

**AUDITED COMPREHENSIVE ANNUAL
FINANCIAL REPORT OF THE TOWN
AS OF DECEMBER 31, 2017**

APPENDIX D

BOOK-ENTRY-ONLY SYSTEM

The information in this Appendix concerning The Depository Trust Company (“DTC”) and DTC’s book entry-only system has been obtained from DTC, and the Town and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for the Series 2019 Bonds, as set forth on the Cover Page hereof, in the aggregate principal amount of each maturity of the Series 2019 Bonds and deposited with DTC.

DTC, the world’s largest securities depository, is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others both as U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has S&P Global Ratings highest rating: “AAA.” The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2019 Certificate (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019 Bonds, except in the event that use of the book entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may

be requested by an authorized representative of DTC. The deposit of Series 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2019 Certificate documents. For example, Beneficial Owners of the Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2019 Bonds within the issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2019 Bonds unless authorized by a Direct Participant on accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2019 Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners are governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

APPENDIX E

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in the Town of Frisco, Colorado (the “Town”) and surrounding Summit County (the “County”). It is intended only to provide prospective investors with general information regarding the Town’s community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The Town makes no representation as to the accuracy or completeness of data obtained from parties other than the Town.

Population

The following table sets forth population statistics for the Town, the County and the State of Colorado (the “State”).

Population					
Year	Town of Frisco	Percent Change	Summit County	Percent Change	Colorado
1970	471	--	2,665	--	2,207,259
1980	1,221	159.24%	8,848	232.01%	2,889,964
1990	1,601	31.12	12,881	45.58	3,294,394
2000	2,443	52.59	23,548	82.81	4,301,261
2010	2,683	9.82	27,994	18.88	5,029,196
2017 ¹	3,123	16.40	30,555	9.15	5,609,445

¹ Estimate.

Source: U.S. Department of Commerce, Bureau of the Census, and Colorado Division of Local Government, Demography Section

Income

The following tables set forth historical median household effective buying income, the percentage of households by classification of effective buying income (“EBI”) levels, and the per capita personal income levels in the County, the State and the United States.

Median Household Effective Buying Income¹					
	2014	2015	2016	2017	2018
Summit County	\$49,972	\$50,798	\$55,722	\$57,326	\$62,337
Colorado	47,469	49,949	52,345	54,718	57,732
United States	43,715	45,448	46,738	48,043	50,620

¹ As calculated on January 1 of each year.

Source: The Nielsen Company, Site Reports, 2014-2017; Environics Analytics, *Spotlight Claritas Reports* 2018

**Percent of Households by
Effective Household Income Groups—2018¹**

	Less Than \$25,000	\$25,000- \$49,999	\$50,000- \$99,999	\$100,000- \$149,999	\$150,000 or more
Summit County	13.25%	25.67%	37.97%	13.99%	9.12%
Colorado	17.39	25.73	36.41	12.21	8.27
United States	22.30	27.12	33.92	9.67	6.97

¹ As calculated on January 1. Totals may not equal 100% due to rounding.
Source: Environics Analytics, *Spotlight Claritas Reports* 2018

Per Capita Personal Income

	2012	2013	2014	2015	2016
Summit County	\$46,583	\$49,510	\$53,351	\$56,680	\$58,386
Colorado	45,089	46,824	49,952	51,876	51,999
United States	44,282	44,493	46,494	48,451	49,246

Source: Colorado Division of Local Government, Demographic Section

Housing Stock

The following table sets forth a comparison of households within the Town and the County.

	Housing Units		
	2000	2010	2017¹
Frisco (Town of)	2,727	3,117	3,494
Summit County	24,201	29,842	31,185

¹ Estimate.

Source: U.S. Department of Commerce, Bureau of the Census and the Colorado Department of Local Affairs

School Enrollment

The following table presents a five-year history of enrollment for Summit County School District RE-1, the primary school district serving the Town.

Summit County School District RE-1

Year	Enrollment
2013/2014	3,287
2014/2015	3,345
2015/2016	3,506
2016/2017	3,557
2017/2018	3,592

Source: Colorado Department of Education

Building Permit Activity

Set forth in the following tables are historical building permit activity for the Town.

History of Building Permit Activity

Year	Residential		Commercial		All Permits Issued	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
2013	52	\$5,243,505	56	\$12,082,932	322	\$20,169,914
2014	64	8,531,681	54	11,167,591	315	24,701,320
2015	63	5,862,467	56	16,224,941	416	26,901,609
2016	26	3,127,906	55	5,171,561	363	11,553,326
2017	37	4,131,910	45	12,608,995	346	19,659,029
2018 ¹	50	9,960,678	34	11,962,868	352	28,252,584

¹ Building permits issued through September 30, 2018.
Source: Community Development Department

Foreclosure Activity

The following table sets forth the number of foreclosures filed within the County over the past five years.

History of Foreclosures—Summit County

Year	Foreclosures Filed	Percent Change
2013	1,543	--
2014	1,627	5.44%
2015	1,845	13.40
2016	[]	
2017	[]	
2018 ¹	[]	--

¹ Foreclosures filed through _____, 2018. [*Kutak requested from County*]
Source: Summit County Public Trustee Office

Retail Sales

The following table sets forth retail sales figures as reported by the state for the Town, the County and the State.

Retail Sales

Year	Town of Frisco	Percent Change	Summit County	Town as Percentage of County	Colorado
2011	\$313,520,264	--	\$1,407,965,253	22.27%	\$154,697,942,972
2012	316,109,335	0.83%	1,434,784,796	22.03	164,387,648,458
2013	323,195,918	2.24	1,548,986,277	20.86	172,784,033,081
2014	365,444,949	13.07	1,694,512,298	21.57	182,709,977,954
2015 ¹	416,975,200	14.10	1,846,077,634	22.59	182,845,695,387

¹ According to the Department of Revenue, the department is currently experiencing a system problem that prevents the Retail Sales Reports from being produced and are working to resolve the issue as soon as possible. Currently, the most recent available is 2015.

Source: State of Colorado, Department of Revenue, Sales Tax Statistics, 2011-2015

Employment

The following tables set forth employment statistics by industry and the most recent historical labor force estimates for the County.

Total Business Establishments and Employment—Summit County

Industry ¹	First Quarter 2017		First Quarter 2018		Quarterly Change	
	Units	Employment	Units	Employment	Units	Employment
Agriculture, Forestry, Fishing and Hunting	4	13	4	13	0	0
Mining ²	--	--	--	--	--	--
Utilities ²	--	--	--	--	--	--
Construction	348	1,031	358	1,089	10	58
Manufacturing	27	173	29	200	2	27
Wholesale Trade	69	188	75	188	6	0
Retail Trade	291	3,141	285	3,075	(6)	(66)
Transportation and Warehousing	33	411	34	420	1	9
Information	29	170	29	182	0	12
Finance and Insurance	59	246	71	255	12	9
Real estate and Rental and Leasing	307	1,295	316	1,299	9	4
Professional and Technical Services	306	652	318	670	12	18
Management of Companies and Enterprises	17	24	22	32	5	8
Administrative and Waste Services	159	773	165	803	6	30
Educational Services	22	198	25	212	3	14
Health Care and Social Assistance	106	1,355	116	1,345	10	(10)
Arts, Entertainment and Recreation	53	2,462	51	2,662	(2)	200
Accommodation and Food Services	240	8,667	241	8,765	1	98
Other Services, Except Public Administration	150	561	143	546	(7)	(15)
Non-classifiable	0	0	0	0	0	0
Government	34	2,451	34	2,433	0	(18)
Total	<u>2,264</u>	<u>23,978</u>	<u>2,325</u>	<u>24,328</u>	<u>61</u>	<u>350</u>

¹ Information provided herein reflects only those employers who are subject to state unemployment insurance law.

² Information suppressed due to confidentiality.

Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages ("QCEW") Colorado

Labor Force Estimates

Year	Summit County		Colorado	
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed
2013	19,350	5.0%	2,767,153	6.9%
2014	20,062	3.4	2,799,491	5.0
2015	20,553	2.5	2,824,759	3.9
2016	21,120	2.1	2,893,268	3.3
2017	22,008	1.9	2,992,307	2.8
2018 ¹	22,969	2.0	3,072,985	2.9

¹ Labor force estimates through July 31, 2018.

Source: State of Colorado, Division of Employment and Training, Labor Market Information, *Colorado Labor Force Review*

Selected major employers in the Summit County area are set forth in the following table. No independent investigation has been made of and no representation is made herein, as to the stability or financial condition of the listed entities, or the likelihood they will maintain their status as major employers in the area.

Selected Major Employers in Summit County

Major Employers	Product or Service	Estimated Number of Employees
Breckenridge Resort	Mountain Resort	1000-4999
Copper Mountain Resort	Mountain Resort	1000-4999
Keystone Resort	Mountain Resort	1000-4999
Everist Materials LLC		500-999
Summit School District RE-1	Education	503
Summit County	County Government	496
Village at Breckenridge	Retail	250-499
Beaver Run Resort & Conference	Resort and Conference Center	250-499
Grand Timber Lodge	Hotel	250-499
Breckenridge (Town of)	Town Government	100-249

Source: Summit County 2017 audited financials, as provided by the Colorado Department of Labor and Employment - LMI Gateway

Tourism and Recreation

Year-round tourism and skiing-related businesses account for a significant portion of the employment and earned income of area residents.

The Ski Industry in the State. Colorado Ski Country USA (“CSCUSA”), is the not-for-profit trade association representing 24 of Colorado’s 34 ski and snowboard resorts. Among the areas not included in CSCUSA’s statistics are the Vail Resorts and its four ski areas of Vail, Beaver Creek, Keystone and Breckenridge. On June 11, 2018, CSCUSA reported that total skier visits at its 24 member resorts totaled \$7.1 million in the 2017/2018 season. Although skier visits were down approximately 2% from the 2016/2017 season, the total is just slightly ahead of the five-year average.

Summit County Ski Areas. Summit County is home to four ski areas: Arapahoe Basin, Breckenridge, Copper Mountain, and Keystone. Arapahoe Basin opened in 1946 and is the oldest ski area in the County. With a base elevation of 10,780 feet and average snowfall of 350 inches, it is usually among the first ski areas in the State to open in mid-October and frequently does not close for the summer until early to mid-June. Breckenridge and Keystone are part of the Vail Resorts, Inc. family of ski areas. Breckenridge offers skiing and snowboarding on more than 2,900 acres spread across five interconnected mountains (Peaks 6, 7, 8, 9 and 10). Vail Resorts, Inc. no longer provides figures for individual ski areas, but informal estimates place Breckenridge among the top two most visited ski areas in the United States with an estimated 1.6 million annual skier visits. Keystone, the largest ski area in the County, boasts three peaks (Dercum Mountain, North Peak and the Outback), a terrain park with a dedicated chair lift, and Cat skiing in Independence, Erickson and Bergman Bowls, with informal estimates placing Keystone at number four in the United States with an estimated 1 million annual skier visits. Keystone also has the largest night skiing operation in Colorado. Copper Mountain, owned by the private Powdr Corporation, offers visitors over 2,400 acres of terrain for skiing and snowboarding and 25 kilometers of cross country ski trails. Copper Mountain is also home to Woodward Copper, a year-round camp offering programs which include snowboard, freeski, skateboard, BMX, freestyle MTB, scooter and cheer.

The Frisco Nordic Center has 43 kilometers of groomed classic and skate-skiing trails with 18 kilometers of snowshoe trails that traverse along the shores of Lake Dillon.

Summer Activities. Although best known for its winter activities, the County is a popular summer destination, with opportunities for camping, hiking, biking, horseback riding, fly fishing, golfing, sailing and boating. Lake Dillon and Green Mountain Reservoir are located in the County. Lake Dillon, at an elevation of 9,000 feet, boasts the highest yacht club in the United States and has marinas in the Towns of Dillon and Frisco. Green Mountain Reservoir allows recreational vehicles and activities such as water skiing, jet skiing and is also a popular site for windsurfing.

For summer visitors seeking a convenient option for hiking, biking and fishing, the Blue River Trail meanders through Summit County. This paved pedestrian and bike path provides some of the most spectacular views of the Blue River. The trail also offers numerous public fishing access points to the Blue River, a Gold Medal Fishing Stream. Furthermore, the trail provides bicycle and pedestrian access via connected trails to the Town of Dillon; Keystone Ski Area; Copper Mountain through the Tenmile Canyon; and the Town of Vail over Vail Pass. The Eagles Nest Wilderness Area offers over 133,000 acres for hiking and horseback riding in the mountains of the Gore Range. Access points to the area's approximately 180 miles of trails are in the Towns of Silverthorne and Frisco within the County.

APPENDIX F

PROPOSED FORM OF LIMITED CONTINUING DISCLOSURE UNDERTAKING

This Limited Continuing Disclosure Undertaking (this “Undertaking”) is executed and delivered, as of February __, 2019, by the Town of Frisco, Colorado, acting by and through its Marina Enterprise (the “Town”), in connection with the issuance of its \$5,630,000* Marina Enterprise Revenue Bonds, Series 2019 (the “Series 2019 Bonds”), dated as of the date of delivery. The Series 2019 Bonds are being issued pursuant to Town Ordinance No. __ (the “Ordinance”) authorizing the issuance of the Series 2019 Bonds. Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Ordinance.

In consideration of the purchase of such Series 2019 Bonds by the owners thereof, the Town hereby covenants and agrees as follows:

Section 1. Purpose of this Undertaking. This Undertaking is executed and delivered by the Town as of the date set forth above, for the benefit of the owners (the “Bondowners”) of the Series 2019 Bonds and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below). The Town represents that it will be the only “obligated person” (as defined in the Rule) with respect to the Series 2019 Bonds at the time the Series 2019 Bonds are delivered to the Participating Underwriter and that no other person is expected to become an obligated person at any time after the issuance of the Series 2019 Bonds.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

“*Annual Financial Information Disclosure*” means the dissemination of the Audited Financial Statements as set forth in Section 4 hereof.

“*Audited Financial Statements*” means the audited financial statements of the Town.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by the Town and which has filed with the Town a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Material Event*” means the occurrence of any of the events with respect to the Series 2019 Bonds set forth in Exhibit I.

“*Material Events Disclosure*” means dissemination of a notice of a Material Event as set forth in Section 6 hereof.

“*MSRB*” means the Municipal Securities Rulemaking Board.

* Preliminary; subject to change

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series 2019 Bonds.

“*Prescribed Form*” means, with regard to the filing of Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*State*” means the State of Colorado.

“*Undertaking*” means the obligations of the Town pursuant to Sections 4 and 6 hereof.

Section 3. CUSIP Number. For reference purposes, the base CUSIP^{1, ©} number of the Series 2019 Bonds is _____.

Section 4. Annual Financial Information Disclosure. Pursuant to subsection (d)(2) of the Rule and subject to Section 9 hereof, the Town hereby covenants to deliver its Audited Financial Statements in the Prescribed Form to the MSRB at least annually, but no later than 240 days following the completion of the Town’s fiscal year. It shall be sufficient if the Town provides to the MSRB any or all of the Annual Financial Information Disclosure by specific reference to documents previously provided to the MSRB or the Commission and, if such document is a final official statement within the meaning of the Rule, available from the MSRB.

Section 5. Identity of Person from Which Information Can be Obtained. The name, address and telephone number of the person from which the Annual Financial Information Disclosure referenced above may be obtained is:

Bonnie Moinet*
Town of Frisco, Colorado
1 East Main Street
P.O. Box 4100
Frisco, Colorado 80443
bonniem@townoffrisco.com
Phone number: 970-668-9138

* The individual acting in said capacity may change from time to time without further amendment to this Undertaking.

Section 6. Material Events Disclosure. Subject to Section 9 hereof, the Town hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Material Events Disclosure to the MSRB in the Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2019 Bonds or defeasance of any Series 2019 Bonds need not be given under this Undertaking any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2019 Bonds pursuant to the Ordinance.

¹ The Town takes no responsibility for the accuracy of the CUSIP numbers, which are included solely for the convenience of owners of the Series 2019 Bonds.

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Section 7. Duty to Update EMMA/MSRB. The Town shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB, for purposes of Town compliance with the Rule.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the Town may amend this Undertaking, and any provision of this Undertaking may be waived, if:

(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Town or type of business conducted;

(ii) This Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondowners of the Series 2019 Bonds, as determined either by parties unaffiliated with the Town (such as the Paying Agent) or by an approving vote of the Bondowners of the Series 2019 Bonds holding a majority of the aggregate principal amount of the Series 2019 Bonds (excluding Series 2019 Bonds held by or on behalf of the Town or its affiliates) pursuant to the terms of the authorizing ordinance at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of the Town shall be terminated hereunder when the Town shall no longer have any legal liability for any obligation on or relating to the repayment of the Series 2019 Bonds. The Town shall give notice to the MSRB in a timely manner and in the Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The Town may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the Town chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Undertaking, the Town shall not have any obligation under this Undertaking to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. No Event of Default. Any failure by the Town to perform in accordance with this Undertaking shall not constitute an Event of Default under the Ordinance, and the rights and remedies provided by the Ordinance upon the occurrence of an Event of Default shall not apply to any such failure. If the Town fails to comply with this Undertaking, any Owner of a Series 2019 Bond may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Town to comply with its obligations hereunder.

Section 13. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the Town, the Dissemination Agent, if any, the Paying Agent and the Bondowners of the Series 2019 Bonds, and shall create no rights in any other person or entity.

Section 14. Assignment. The Town shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the Town under this Undertaking or to execute a continuing disclosure undertaking under the Rule.

Section 15. Governing Law. This Undertaking shall be governed by the laws of the State.

[Remainder of Page Left Intentionally Blank]

EXHIBIT I

EVENTS WITH RESPECT TO THE SERIES 2019 BONDS FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Nonpayment-related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders, if material
8. Certificate calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Town *
13. The consummation of a merger, consolidation or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent, if material

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Town in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Town, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Town.



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: DEBORAH WOHLMUTH, TOWN CLERK
RE: ORDINANCE 18-15, AMENDING CHAPTER 53, CONCERNING ALCOHOLIC BEVERAGES
DATE: JANUARY 8, 2019

Summary: Ordinance 18-15 updates Chapter 53 Alcoholic Beverages to reflect recent legislation recodifying the State of Colorado's beer, liquor, and special event liquor permit codes; and amends language concerning alcoholic beverage tastings.

Background: The Colorado legislature recently adopted and the Governor signed into law HB18-1025, which recodified the Colorado statutes that contain the Colorado Beer Code, the Colorado Liquor Code, and the Colorado Special Event Liquor Permits. HB18-1025 became effective October 1, 2018. It is necessary to change the references to the Colorado Beer Code, the Colorado Liquor Code, and the Colorado Special Event Liquor Permit statutes contained in the Frisco Town Code to reflect the recodification of such statutes brought about by the adoption of HB18-1025.

Additionally, The Colorado legislature recently adopted and the Governor signed into law SB 18-243 which expands and amends certain tastings laws and limitations. SB 18-243 became effective June 4, 2018. This law states that any violation of a tastings limitation is the responsibility of the retail liquor store or liquor licensed drug store licensee even if the violation was committed by a representative, employee, or agent of another licensee named above. It also states that a representative, employee, or agent of a manufacturer, limited winery, wholesaler, or importer may pour or serve alcohol beverages as part of a tasting at an RLS or LLDS licensed premises. The maximum amount of time in a day is still 5 hours (does not have to be consecutive); the sample size has not changed (1 oz of malt and vinous liquor and ½ oz of spirituous liquor); and the number of samples remained the same – 4.

Recommendation:

On that basis, it is my

RECOMMENDATION THAT THE COUNCIL MAKE A MOTION APPROVING ON SECOND READING ORDINANCE 18-15, AN ORDINANCE AMENDING CHAPTER 53 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, COLORADO, CONCERNING ALCOHOLIC BEVERAGES, BY AMENDING ALL REFERENCES WITHIN CHAPTER 53 TO THE COLORADO BEER CODE, THE COLORADO LIQUOR CODE, AND THE COLORADO SPECIAL EVENT LIQUOR PERMITS STATUTES TO REFLECT THE STATE OF COLORADO'S RECENT RECODIFICATION OF SAID CODES AND STATUTES; AND BY AMENDING SECTION 53-18, CONCERNING ALCOHOLIC BEVERAGE TASTINGS, TO REFLECT RECENT SUBSTANTIVE AMENDMENTS TO THE COLORADO STATUTORY PROVISIONS THAT CONCERN ALCOHOLIC BEVERAGE TASTINGS

**TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
ORDINANCE 18-15**

ORDINANCE 18-15 AN ORDINANCE AMENDING CHAPTER 53 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, COLORADO, CONCERNING ALCOHOLIC BEVERAGES, BY AMENDING ALL REFERENCES WITHIN CHAPTER 53 TO THE COLORADO BEER CODE, THE COLORADO LIQUOR CODE, AND THE COLORADO SPECIAL EVENT LIQUOR PERMITS STATUTES TO REFLECT THE STATE OF COLORADO'S RECENT RECODIFICATION OF SAID CODES AND STATUTES; AND BY AMENDING SECTION 53-18, CONCERNING ALCOHOLIC BEVERAGE TASTINGS, TO REFLECT RECENT SUBSTANTIVE AMENDMENTS TO THE COLORADO STATUTORY PROVISIONS THAT CONCERN ALCOHOLIC BEVERAGE TASTINGS

WHEREAS, the Colorado legislature recently adopted and the Governor signed into law HB18-1025, which recodified the Colorado statutes that contain the Colorado Beer Code, the Colorado Liquor Code, and the Colorado Special Event Liquor Permits; and

WHEREAS, HB18-1025 became effective October 1, 2018; and

WHEREAS, it is necessary to change the references to the Colorado Beer Code, the Colorado Liquor Code, and the Colorado Special Event Liquor Permit statutes contained in the Frisco Town Code to reflect the recodification of such statutes brought about by the adoption of HB18-1025.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO:

Section 1: That Section 53-2 of the Code of Ordinances of the Town of Frisco, Colorado, concerning licensing authority; assistant, is hereby amended to read as follows:

§ 53-2. Licensing Authority; Assistant. [Repealed and replaced in its entirety 09-26-06, Ord. 06-30]

- A. The liquor and beer licensing authority for the Town of Frisco shall be the Town Council ("Council"). As such, the Town Council shall be known as the "liquor licensing authority" or, in this Chapter, as the "authority."
- B. The Town Clerk shall assist the authority by receiving all applications; coordinating with other town officers and departments when relevant; scheduling required public hearings; and exercising her discretion in forwarding applications for renewals, transfer of ownership, change of manager of a licensee; temporary permits; and special event licenses.

- C. As set forth below, the Town Clerk is hereby vested with authority to administratively review and approve applications for liquor license renewals; transfer of ownership; change of manager of a licensee; temporary permits; and special event licenses.
1. Renewals. In accordance with the provisions of Section 53-12 below, the Town Clerk is authorized to administratively review and approve an application for the renewal of any previously approved liquor license where, after reasonable investigation by the Town Clerk and consultation by the Town Clerk with other appropriate administrative and law enforcement personnel, all of the following circumstances are found to exist:
 - a. The applicant has timely and properly submitted a complete license renewal application and tendered all required fees in accordance with this Chapter and the provisions of Title ~~4244~~ C.R.S;
 - b. The applicant's license is in good standing with the Town and the State, and no violation of law has occurred during the previous year;
 - c. To the knowledge of the Town Clerk, there is no pending or proposed criminal or legal investigation or charges against the applicant or the licensed premises; and
 - d. There is no other information known by the Town Clerk that would cause the Town Clerk, in her reasonable belief, to believe that some violation of applicable law has occurred or that the license should not be renewed
 2. Transfer of ownership. In accordance with the provisions of Section 53-14 below, the Town Clerk is authorized to administratively review and approve an application for the transfer of ownership of any previously approved liquor license where, after reasonable investigation by the Town Clerk and consultation by the Town Clerk with other appropriate administrative and law enforcement personnel, all of the following circumstances are found to exist:
 - a. The applicant has timely and properly submitted a complete application for transfer of ownership and tendered all required fees in accordance with this Chapter and the provisions of Title ~~4244~~ C.R.S; and
 - b. The applicant satisfies the eligibility criteria set forth in Section ~~42-47-30744-3-307~~, C.R.S.
 3. Change of manager of a licensee. The Town Clerk is authorized to administratively review and approve an application for the change of manager for a licensed establishment where, after reasonable investigation by the Town Clerk and consultation by the Town Clerk with other

appropriate administrative and law enforcement personnel, all of the following circumstances are found to exist:

- a. The applicant has timely and properly submitted a complete application for change of manager and tendered all required fees in accordance with this Chapter and the provisions of Title ~~4244~~ C.R.S. and the new manager has presented himself to the Police Department for photographing, fingerprinting and background investigation, and
 - b. There is no information known by the Town Clerk that could support denial of the application for change in manager under applicable law.
4. Temporary permits. In accordance with the provisions of Section 53-14.E below, the Town Clerk is authorized to administratively review and approve an application for a temporary permit where, after reasonable investigation by the Town Clerk and consultation by the Town Clerk with other appropriate administrative and law enforcement personnel, all of the following circumstances are found to exist:
- a. The applicant has timely and properly submitted a complete application for a temporary permit and tendered all required fees in accordance with this Chapter and the provisions of Section ~~12-47-30344-3-303~~, C.R.S.;
 - b. There is pending an application for the transfer of the liquor license corresponding to the application for a temporary permit;
 - c. The premises subject to the proposed temporary permit is currently subject to a valid liquor license; and
 - d. There is no information known by the Town Clerk that could support denial of the application for change in manager under applicable law.
5. Special event licenses. The Town Clerk is authorized to administratively review and approve an application for a special event license where, after reasonable investigation by the Town Clerk and consultation by the Town Clerk with other appropriate administrative and law enforcement personnel, all of the following circumstances are found to exist:
- a. The applicant has timely and properly submitted a complete application for a special event license and tendered all required fees in accordance with this Chapter and the provisions of Title ~~4244~~, Article ~~485~~, C.R.S.;
 - b. Notice of the Town's receipt of an application for a special events permit and the ability to protest the issuance of the permit has been posted on the property subject to the proposed special event permit not less than ten (10) days prior to the date of approval of the permit and no protest

to the issuance of such permit has been filed on or before such date of approval; and

- c. There is no information known by the Town Clerk that could support denial of the application for the special event permit pursuant to the provisions of Section ~~42-48-106~~44-5-106, C.R.S.
- D. Notwithstanding any authority delegated to the Town Clerk for the administrative approval of applications under this Section, the Town Clerk may, at her discretion, refer any licensing decision authorized to her under this Section to the authority if, in the Town Clerk's opinion, the matter should be presented to the authority. In the event the Town Clerk cannot or will not approve a transfer or renewal of a license, or the issuance of a special event license or temporary permit, or the approval of a change in manager of a licensee, then the Town Clerk shall refer the application to the authority for consideration in accordance with applicable law. Written notice of the time and place of such consideration shall be mailed to the applicant by regular mail at least ten (10) days in advance thereof and shall contain such facts or reasons relied upon by the Town Clerk in declining to issue the license or permit or approval. Notice of the proceedings shall also be timely published and posted on the subject premises in accordance with the requirements set forth in Section ~~42-47-311~~44-3-311, C.R.S., and timely provided to any person who may have filed a protest against the issuance of the license with the Town Clerk. Additionally, any license or permit applicant, or any party in interest (as defined in Section ~~42-47-311~~44-3-311, C.R.S.), who is dissatisfied with a decision of the Town Clerk under this Section may appeal same to the authority by filing a written protest with the Town Clerk not more than ten (10) days after the date of the decision appealed from. The Town Clerk shall promptly set the appeal for hearing before the authority in accordance with the notice and hearing procedures described above.
- E. The Town Clerk shall not approve an application for the renewal or transfer of a license where the Police Department has timely submitted written objections to the Town Clerk concerning such action. Whenever such an objection is received, the Town Clerk shall set the application for hearing before the authority in accordance with the procedures set forth in Subsection D above.
- F. The Town Clerk, for good cause, may waive the forty-five-day time requirement for filing a license renewal application.
- G. The Town Clerk shall regularly report to the authority in a timely manner all licensing actions taken by the Town Clerk under the provisions of this Section.

Section 2: That Section 53-3 of the Code of Ordinances of the Town of Frisco, Colorado, concerning filing of applications; fees, is hereby amended to read as follows:

§ 53-3. Filing of Applications; Fees. [Amended 10-05-93, Ord. 93-09; 06-07-94 Ord. 94-04; 08-19-97, Ord. 97-14; 04-03-01, Ord. 01-04; 07-27-04, Ord. 04-12; 08-28-07, Ord. 07-13; 07-14-09, Ord. 09-12]

- A. All applications for liquor and malt beverage licenses, including new, renewal or any licensing changes, shall be filed with the Clerk.
- B. The following shall be filed:
 - 1. A state license application form (DR-8404), which shall be filled out and completed in all material details. Incomplete application forms shall be rejected.
 - 2. All other applicable State Department of Revenue forms pertinent to the type of license requested shall be filled out and completed in all material detail. Incomplete application forms shall be rejected.
 - 3. An application fee paid to the town. The application fee shall be collected to cover the costs of the preliminary investigation made by the town, administrative checks, publication and posting costs and other necessary and incidental expenses. For each application made to the Authority pursuant to the provisions of, ~~Article 46~~Article 3, Article 4, or Article 485 of Title ~~4244~~ of the Colorado Revised Statutes, as amended from time to time, there shall be paid to the Town an application fee in the amount set forth in the Fees Schedule adopted by the Colorado Department of Revenue Liquor Enforcement Division, as amended from time to time. An up-to-date copy of said Fees Schedule shall be maintained by the Town Clerk and available for inspection in the office of the Town Clerk during regular business hours of the Town's administrative offices.
 - 4. Pursuant to Section ~~12-47-505~~14-3-505, C.R.S., as amended from time to time, an annual license fee shall be paid to the town. This fee is in addition to the application fee and shall be in the amount set forth in the Fees Schedule adopted by the Colorado Department of Revenue Liquor Enforcement Division, as amended from time to time. For each tastings permit issued by the Authority pursuant to Section 53-18 of this Chapter, there shall be paid to the Town a fee equal to Ten Dollars (\$10.00) for each day during which a tasting is authorized by the permit, which fees shall be paid in full prior to the Authority's delivery of the permit to the applicant.

5. A license fee payable to the State Department of Revenue shall be filed with the application. The amount shall be as established from time to time by the Colorado Department of Revenue Liquor Enforcement Division.

Section 3: That Section 53-4.F of the Code of Ordinances of the Town of Frisco, Colorado, concerning filing of application forms, is hereby amended to read as follows:

53-4.F Evidence showing that the proposed location will not violate any of the Town of Frisco's zoning laws as prohibited by C.R.S. ~~42-47-138(c)~~ 44-3-313(1)(c).

Section 4: That Section 53-6.C of the Code of Ordinances of the Town of Frisco, Colorado, concerning notice of hearing, is hereby amended to read as follows:

53-6.C The size of the sign and information contained on it shall be in compliance with state statute, C.R.S. ~~42-47-136~~44-3-311.

Section 5: That Section 53-14.E of the Code of Ordinances of the Town of Frisco, Colorado, concerning change in ownership, is hereby amended to read as follows:

53-14.E The Town of Frisco shall issue a temporary permit to a transferee pursuant to C.R.S. ~~42-47-303~~44-3-303. Said permit shall authorize a transferee to continue sales during the period in which an application to transfer the ownership of the license is pending. The applicant(s) for the permit must comply with all of the requirements set forth in the appropriate statutes cited above. The cost of this temporary permit shall be one hundred dollars (\$100).

Section 6: That Section 53-18 of the Code of Ordinances of the Town of Frisco, Colorado, concerning alcohol beverage tastings, is hereby amended to read as follows:

§ 53-18. Alcohol Beverage Tastings. [Added 07-27-04, Ord. 04-12; Amended 03-28-06, Ord. 06-15; 09-26-06, Ord. 06-30; 07-14-09, Ord. 09-12]

- A. Subject to the limitations of this section, alcohol beverage tastings are permitted within the Town. For the purposes of this section "tastings" means the sampling of malt, vinous, or spirituous liquors that may occur on the premises of a retail liquor store licensee or liquor-licensed drugstore licensee by adult patrons of the licensee pursuant to the provisions of this section and Section ~~42-47-301(10)~~44-3-301(10), C.R.S.
- B. A retail liquor store or liquor-licensed drugstore licensee who wishes to conduct tastings may submit an application for that purpose to the Liquor Licensing Authority. The applicant for a tastings permit shall state on the application the days and times that tastings will occur. The Liquor Licensing Authority may reject the application if the applicant fails to establish that he or she is able to conduct tastings without violating the provisions of this Section, Section ~~42-47-~~

~~301(10)~~44-3-301(10), C.R.S., or creating a public safety risk to the neighborhood. The Liquor Licensing Authority hereby delegates to the Town Clerk the authority to administratively review and approve an application for a tastings permit or renewal of a previously approved tasting permit where, after reasonable investigation by the Town Clerk and consultation by the Town Clerk with other appropriate administrative and law enforcement personnel, all of the following circumstances are found to exist:

1. The applicant has timely and properly submitted a complete application for a tastings permit or renewal thereof and has tendered all required fees in accordance with this Chapter;
2. The applicant's liquor license is in good standing with the Town and the State, and no violation of law has occurred during the previous year;
3. To the knowledge of the Town Clerk, there is no pending or proposed criminal or legal investigation or charges against the applicant or the licensed premises; and
4. There is no other information known by the Town Clerk that would cause the Town Clerk, in his or her reasonable belief, to believe that some violation of applicable law has occurred or that the applicant will be unable to conduct tastings without violating the provisions of this Section, Section ~~42-47-310(10)~~44-3-301(10), C.R.S., or creating a public safety risk to the neighborhood.

Notwithstanding any authority delegated to the Town Clerk for the administrative approval of applications under this Section, the Town Clerk may, at his or her discretion, refer any licensing decision authorized to her under this Section to the Authority if, in the Town Clerk's opinion, the matter should be presented to the Authority. In the event the Town Clerk cannot or will not approve an application made pursuant to this Section, then the Town Clerk shall refer the application to the Authority for consideration in accordance with applicable law. Written notice of the time and place of such consideration shall be mailed to the applicant by regular mail at least ten (10) days in advance thereof and shall contain such facts or reasons relied upon by the Town Clerk in declining to issue the permit. Notice of the proceedings shall also be timely published and posted on the subject premises in accordance with the requirements set forth in Section ~~42-47-301~~44-3-301, C.R.S., and timely provided to any person who may have filed a protest against the issuance of the permit with the Town Clerk. Additionally, any permit applicant, or any party in interest (as defined in Section ~~42-47-301~~44-3-301, C.R.S.), who is dissatisfied with a decision of the Town Clerk under this Section may appeal same to the Authority by filing a written protest with the Town Clerk not more than ten (10) days after the date of the decision appealed from. The Town Clerk shall promptly set the appeal for hearing before the authority in accordance with the notice and hearing procedures described above.

C. Tastings shall be subject to the following limitations:

1. Tastings may occur on no more than ~~four of the six days from a Monday to the following Saturday, not to exceed on hundred four days per year~~ 156 days per year, any day of the week.
2. Tastings shall not exceed a total of ~~four~~ five hours in duration per day, which hours need not be consecutive.
3. Tastings shall be conducted only by a person who has completed a server training program that meets the standards established by the Liquor Enforcement Division, Colorado Department of Revenue and who is either a retail liquor store licensee or a liquor-licensed drugstore licensee, or an employee of a licensee and only on a licensee's licensed premise, or by a representative, employee, or agent of a wholesaler, brew pub, distillery pub, manufacturer, limited winery, importer or vintner's restaurant.
4. The alcohol used in tastings shall be purchased through a licensed wholesaler, licensed brew pub, or winery at a cost that is not less than the laid-in cost of such alcohol.
5. Tastings shall be conducted only during the operating hours in which the licensee on whose premises the tastings occur is permitted to sell alcohol beverages, and in no case earlier than 11:00 a.m. or later than ~~7~~9:00 p.m.
6. No manufacturer of spirituous or vinous liquors shall induce a licensee through free goods or financial or in-kind assistance to favor the manufacturer's products being sampled at a tasting. The licensee shall bear the financial and all other responsibility for a tasting.
7. A violation of a limitation specified in this subsection by a retail liquor store or liquor-licensed drugstore licensee, whether by ~~the licensee's his or her~~ employees, agents, or otherwise, shall be or by a representative, employee, or agent of the licensed wholesaler, brew pub, distillery pub, manufacturer, limited winery, importer, or vintner's restaurant that promoted the alcohol beverages for the tasting is the responsibility of the retail liquor store or liquor-licensed drugstore licensee ~~who is conducting that conducted~~ the tasting.
8. A retail liquor store or liquor-licensed drugstore licensee conducting a tasting shall be subject to the same revocation, suspension, and enforcement provisions as otherwise apply to the licensee.

D. While a retail liquor store or liquor-licensed drugstore is conducting a tasting within its premise, the following requirements shall be met:

1. The licensee shall prohibit patrons from leaving the licensed premises with an unconsumed sample.
2. The licensee shall promptly remove all open and unconsumed alcohol beverage samples from the licensed premises, ~~or shall destroy the samples immediately following the completions of the tasting, or store~~ any open containers of unconsumed alcohol beverages in a secure area outside the sales are of the licensed premises for use at a tasting conducted at a later time or date.
3. The licensee shall not serve a person who is under twenty-one years of age or who is visibly intoxicated.
4. The licensee shall not serve more than four individual samples to a patron during a tasting and shall have food available to its patrons during a tasting.
5. The size of an individual alcohol sample shall not exceed one ounce of malt or vinous liquor or one-half of one ounce of spirituous liquor.
6. Alcohol samples shall be in open containers and shall be provided to a patron free of charge.
7. A violation of a limitation specified in this subsection by a retail liquor store or liquor-licensed drugstore licensee, whether by his or her employees, agents, or otherwise, shall be the responsibility of the retail liquor store or liquor-licensed drugstore licensee who is conducting the tasting.

Section 7: That Section 53-19.II of the Code of Ordinances of the Town of Frisco, Colorado, concerning penalty guidelines for the Town of Frisco Local Licensing Authority, concerning authority, is hereby amended to read as follows:

53-19.II Authority

The power and authority given to the local liquor licensing authority to suspend or revoke a license if found in Section 44-3-601 C.R.S.

Section 8: That Section 53-19.VI of the Code of Ordinances of the Town of Frisco, Colorado, concerning penalty guidelines for the Town of Frisco Local Licensing Authority, concerning fine-in-lieu, is hereby amended to read as follows:

53-19.VI Fine-in-Lieu

Any licensee found in violation of the Colorado Liquor Code or Beer Code, or the Town of Frisco Alcoholic Beverages Code and/or regulations, may request in accordance with the provisions of C.R.S. 44-3-601, when an active suspension is imposed of fourteen (14) days or less, a fine-in-lieu of such suspension. Any request for a fine-in-lieu requires that the licensee pay a \$250.00 administration fee. Approval of such a request is discretionary by the LLA. The sentencing guidelines take into consideration the possibility of a fine-in-lieu of suspended days.

Section 9: That Section 53-20.D of the Code of Ordinances of the Town of Frisco, Colorado, concerning optional premises license – standards for issuance, is hereby amended to read as follows:

53-20.D Advanced Notification: Pursuant to Colorado Revised Statutes Section 44-3-310, as amended, no alcohol beverages may be served on the optional premises without the licensee having provided written notice to the state and local licensing authorities forty-eight hours prior to serving alcohol beverages on the optional premises. Such notice shall contain the specific days and hours on which the optional premises are to be used. This subsection (D) shall not be construed to permit the violation of any other provision of this article under circumstances not specified in this subsection (D).

Section 10. Severability, Conflicting Ordinances Repealed. If any section, subsection or clause of this ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected thereby. All other ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 11. Effective Date. This ordinance shall take effect pursuant to the Home Rule Charter of the Town of Frisco, Colorado.

INTRODUCED, PASSED ON FIRST READING AND PUBLICATION POSTING ORDERED THIS 11th DAY OF DECEMBER, 2018.

ADOPTED ON SECOND AND FINAL READING AND PUBLICATION BY TITLE ORDERED THIS 8TH DAY OF JANUARY, 2018

TOWN OF FRISCO, COLORADO

Gary Wilkinson, Mayor

ATTEST:

Deborah Wohlmuth, CMC, Town Clerk



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: DEBORAH WOHLMUTH, TOWN CLERK
RE: ORDINANCE 18-16, AMENDING CHAPTER 127, CONCERNING OFFENSES
DATE: JANUARY 8, 2019

Summary: Ordinance 18-16 updates Chapter 127 Offenses to reflect recent legislation recodifying the State of Colorado's beer, liquor, and special event liquor permit codes and amends language concerning public consumption of alcoholic beverages and possession of open containers.

Background: The Colorado legislature recently adopted and the Governor signed into law HB18-1025, which recodified the Colorado statutes that contain the Colorado Beer Code, the Colorado Liquor Code, and the Colorado Special Event Liquor Permits. HB18-1025 became effective October 1, 2018. It is necessary to change the references to the Colorado Beer Code, the Colorado Liquor Code, and the Colorado Special Event Liquor Permit statutes contained in the Frisco Town Code to reflect the recodification of such statutes brought about by the adoption of HB18-1025.

Additionally, the Colorado legislature recently adopted and the Governor signed into law SB 18-243 which prohibits the consumption of Fermented Malt Beverages (FMB), or malt, vinous or spirituous liquor in any public place, except: a person who is at least 21 years of age may consume alcohol beverages in any public place, other than a public right of way, where the consumption of FMB or malt, vinous or spirituous liquor has been specifically authorized by ordinance, resolution, or rules adopted by any municipality, city and county, or county or; for purpose of state parks, state wildlife areas or other properties open to recreation that are under the supervision of the Parks and Wildlife Commission. SB 18-243 became effective June 4, 2018.

Recommendation:

On that basis, it is my

RECOMMENDATION THAT THE COUNCIL MAKE A MOTION APPROVING ON SECOND READING ORDINANCE 18-16, AN ORDINANCE AMENDING CHAPTER 127 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, COLORADO, CONCERNING OFFENSES, BY AMENDING SECTION 127-7, CONCERNING PUBLIC CONSUMPTION OF AN ALCOHOLIC BEVERAGE AND POSSESSION OF AN OPEN CONTAINER, TO PROPERLY SET FORTH ALL REFERENCES THEREIN TO THE COLORADO LIQUOR CODE WHICH LIQUOR CODE WAS RECENTLY RECODIFIED BY THE STATE OF COLORADO

**TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
ORDINANCE 18-16**

AN ORDINANCE AMENDING CHAPTER 127 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, COLORADO, CONCERNING OFFENSES, BY AMENDING SECTION 127-7, CONCERNING PUBLIC CONSUMPTION OF AN ALCOHOLIC BEVERAGE AND POSSESSION OF AN OPEN CONTAINER, TO PROPERLY SET FORTH ALL REFERENCES THEREIN TO THE COLORADO LIQUOR CODE WHICH LIQUOR CODE WAS RECENTLY RECODIFIED BY THE STATE OF COLORADO

WHEREAS, the Colorado legislature recently adopted and the Governor signed into law HB18-1025, which recodified the Colorado statutes that contain the Colorado Beer Code, the Colorado Liquor Code, and the Colorado Special Event Liquor Permits; and

WHEREAS, HB18-1025 became effective October 1, 2018; and

WHEREAS, it is necessary to change the references to the Colorado Beer Code, the Colorado Liquor Code, and the Colorado Special Event Liquor Permit statutes contained in the Frisco Town Code to reflect the recodification of such statutes brought about by the adoption of HB18-1025.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO:

Section 1: That Section 127-7 of the Code of Ordinances of the Town of Frisco, Colorado, concerning public consumption of an alcohol beverage and possession of an open container of an alcohol beverage, is hereby amended to read as follows:

§ 127-7. Public Consumption of an Alcohol Beverage and Possession of an Open Container of an Alcohol Beverage. [Amended 11-23-04, Ord. 04-19]

- A. It shall be unlawful for any person to consume any alcohol beverage in any public place except on a licensed premises permitted by the Town of Frisco Liquor Licensing Authority and in accordance with the Colorado Liquor Code, Colorado Revised Statutes section ~~44-3-101~~~~42-47-101~~ et seq., as presently enacted or as may subsequently be enacted; provided, however, that it shall not be unlawful for a person who is at least twenty-one (21) years of age to consume an alcohol beverage while such person is a passenger aboard a luxury limousine, as defined in ~~40-16-101(3)~~40-10.1-301(7), Colorado Revised Statutes, or a charter or scenic bus, as defined in section ~~40-16-101(1.340)~~10.1-301(2), Colorado Revised Statutes.
- B. It shall be unlawful for any person to possess, or have under his or her control, in any public place except on a licensed premises permitted by the Town of Frisco Liquor Licensing Authority and in accordance with the Colorado Liquor Code, Colorado Revised Statutes section ~~44-3-101~~~~42-47-101~~ et seq., as presently enacted or as may subsequently be enacted, any alcohol beverage in a container of any kind or description which is not sealed or upon which the seal is broken. As used in this section, the word "sealed" means

the regular seal applied to alcohol beverage containers pursuant to applicable federal and/or state law. Notwithstanding the provisions of this subsection, it shall not be unlawful for a person who is at least twenty-one years of age to: (i) possess, or have under his or her control, an unsealed container of any alcohol beverage while such person is a passenger aboard a luxury limousine, as defined in section ~~40-10.1-301(7)~~~~40-16-101(3)~~, Colorado Revised Statutes, as amended, or a charter or scenic bus, as defined in section ~~40-10.1-301(2)~~~~40-16-101(1.3)~~, Colorado Revised Statutes, as amended; and (ii) ~~possess, or have under his or her control, one unsealed container of vinous liquor that has been removed from a licensed premises pursuant to and subject to the limitations set forth in section 12-47-411(3.5), Colorado Revised Statutes, as amended, and~~ (iii) possess, or have under his or her control, an unsealed container of any alcohol beverage if such unsealed container is located in a locked trunk or other locked compartment of a motor vehicle that is not readily accessible by the driver or passengers of the motor vehicle.

- C. As used in this section, the terms “alcohol beverage” shall be defined as set forth in section ~~44-3-103~~~~12-47-103~~, Colorado Revised Statutes, as amended, provided, however, that such terms shall not include any “fermented malt beverage” as defined in section ~~44-4-103~~~~12-46-103~~, Colorado Revised Statutes, as amended. As used in this section, the terms “public place” shall include, without limitation, any place that is in or upon any public street, alley, sidewalk, parking lot, building, park or open space or within any vehicle that is in or upon any public street, alley, sidewalk, parking lot, park or open space, and, in addition, shall include any place that is in or upon those portions of any private property upon which the public has an express or implied license to enter or remain, or within any vehicle that is in or upon those portions of any private property upon which the public has an express or implied license to enter or remain.

Section 2. Severability, Conflicting Ordinances Repealed. If any section, subsection or clause of this ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected thereby. All other ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 3. Effective Date. This ordinance shall take effect pursuant to the Home Rule Charter of the Town of Frisco, Colorado.

INTRODUCED, PASSED ON FIRST READING AND PUBLICATION POSTING ORDERED THIS 11th DAY OF DECEMBER, 2018.

ADOPTED ON SECOND AND FINAL READING AND PUBLICATION BY TITLE ORDERED THIS 8TH DAY OF JANUARY, 2018

TOWN OF FRISCO, COLORADO

Gary Wilkinson, Mayor

ATTEST:

Deborah Wohlmuth, CMC, Town Clerk



MEMORANDUM

TO: MAYOR AND TOWN COUNCIL

FROM: CHAD MOST, REVENUE SPECIALIST

RE: SECOND READING OF ORDINANCE NO. 18-10 - AN ORDINANCE AMENDING CHAPTER 110 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, CONCERNING THE LICENSING OF BUSINESSES, BY ADDING A NEW ARTICLE III, CONCERNING THE LICENSING AND REGULATION OF SHORT-TERM RENTALS WITHIN THE TOWN.

DATE: JANUARY 8, 2019

Background: Throughout 2017 at the direction of Town Council, the Town of Frisco Housing Task Force Policy Group studied the impact of Short-term Rentals (STRs) on the Frisco community and issued a set of recommended actions in order to, among other goals, preserve and build Frisco's sense of community as a place where people live year round and to minimize the negative impacts that can arise from short-term rentals, all while acknowledging the importance of short-term rentals in maintaining a sustainable tourism-based economy. Recommended actions included updating the licensing requirements for short-term rentals, requiring STR units to meet basic life safety standards, requiring a local contact for each STR property, requiring that neighbors and HOAs receive notice upon the issuance of an STR license, requiring STR owners to provide life safety and good neighbor policy information to guests, establishing occupancy limits for STR units, implementing a monitoring and tracking program to ensure compliance and to evaluate future regulatory needs, and requiring the mitigation of various nuisances such as amplified outdoor music, improperly disposed trash, etc. On October 12, 2017, Town staff also hosted a panel discussion entitled, "New Approaches to Short-term Rental Regulations," bringing in representatives from a varied group of communities, including Crested Butte, Durango, Estes Park, Georgetown, Minturn and Salida, to discuss their approaches to short-term rental regulation.

In a February of 2018 work session, staff presented the recommendations of the Housing Task Force Policy Group, along with months of research gleaned from other communities and third-party compliance firms, to Town Council and requested direction in regards to updating the Town's short-term rental regulatory framework. As other Summit County municipalities and the County itself were also beginning the process of updating their STR regulatory frameworks, staff was directed to work with the other jurisdictions in an effort to be as consistent as possible throughout the County and to develop a public process to ensure the needs and desires of the Frisco community would be met. Throughout the spring and summer, staff participated in working group sessions with other jurisdictions, attended public meetings hosted by other jurisdictions, researched third-party STR compliance firms, and began crafting a proposed STR

ordinance. In September, staff hosted three stakeholder meetings and one general public outreach meeting, in addition to collecting public feedback through written comment cards and surveys, an online survey, and one-on-one communications with concerned constituents.

Based on the months of research conducted, along with Council direction and the results of the public process, staff then finalized the scope and specific language of a proposed STR ordinance, a version of which was presented to Council for direction in a work session on October 23, 2018. The original first reading of the ordinance was tabled at the November 13, 2018 meeting with Council requesting additional changes. A revised ordinance passed on first reading at the December 11, 2018 meeting, though Council requested a few small updates before staff returned for a second reading. The final ordinance presented here for second reading reflects the latest feedback received from Council.

Analysis: The proposed ordinance language follows most of the recommendations of the Housing Task Force Policy Group, but does differ in a few key aspects. Based on lessons learned from other communities, public feedback and/or Council direction, staff has left out requirements regarding a “local agent” (opting instead for a “responsible agent” with no local requirement) and requirements regarding public noticing of STR license issuance.

In accordance with the recommendations of the Policy Group, the ordinance does eliminate the ability of a property management firm or owner of multiple units to hold a single license on behalf of multiple units, and requires each STR property to hold a unique license. This requirement will enable staff, with the assistance of a third-party STR tracking and compliance firm, to more readily identify non-compliant properties and ensure a much higher level of compliance than is currently possible. Additional updates to the license application requirements include the designation of a “responsible agent,” a copy of a “renters’ information notice” as required later in the ordinance, a copy of a parking plan as required later in the ordinance, and an affidavit signed by the owner certifying that basic life safety standards, as required later in the ordinance, have been met. The term of the proposed annual STR license would be May 1 through April 30, and licenses would not be transferrable to new property owners.

In addition, STR license holders would be responsible for preparing and sharing a parking plan and ensuring that guests follow the Town’s other code provisions in regards to trash and recyclable materials disposal. Per Council direction, overnight occupancy has been limited to two (2) people per bedroom, plus an additional four (4) occupants, along with a process for STR owners to request additional occupancy pending an inspection. The “renters’ information notice” referenced above would need to include EMS contact information, the physical address of the unit, the contact information for either the STR owner or their duly appointed agent, the Frisco STR license number covering the unit, the maximum overnight occupancy of the unit, the location of fire extinguishers and fire escape routes, the location of allowed parking spaces, the maximum number of vehicles allowed to park on the property, alternate off-site parking (if any), the location of trash and recycling receptacles and the rules for disposal, snow removal instructions or information, noise policies, pet policies and any applicable HOA policies specific to the unit. Council directed staff to remove the requirement that some of this information be located on a “sign” within the unit.

STR license applicants would also be required to certify that the unit conforms to applicable Building Code requirements (Chapter 65), that smoke and carbon monoxide detectors, and fire extinguishers have been installed and maintained, and that wood burning fireplaces and stoves have been cleaned on an annual basis.

Any guest occupying an STR would not be allowed to amplify music outdoors or to violate any provision of the Town's noise ordinance. Guests would also not be allowed to camp, pitch tents or use a recreational vehicle or trailer for overnight purposes. All advertisements for STRs would be required to reference the Frisco STR license number covering the unit and the approved maximum occupancy.

Summary: Based on over a year of intensive research (and many more years of extensive experience), public outreach and Council direction, staff believes the STR ordinance attached here properly balances the need to regulate the STR industry, ensuring compliance and reducing negative impacts, with the need to sustain a vibrant, tourism-based local economy. The Town has taken a modest, measured approach to new regulations and fully anticipates ongoing evaluation to ensure the new framework achieves the goals set forth throughout the process:

- 1 – Ensure compliance and a level playing field for all STR owners
- 2 – Reduce negative neighborhood impacts and better track complaints
- 3 – Ensure STR owners are providing for the safety of their guests and providing information necessary for guests to be good neighbors
- 4 – Analyze data and communicate directly with STR owners to better understand STR impacts, the need (or lack thereof) for further regulation, and opportunities to incentivize long-term employee housing

Staff Recommendation: As all revisions requested by Council at first reading have been made, staff recommends that the Town Council approve ordinance No. 18-10 upon second reading.

Attachments: Ordinance No. 18-10

**TOWN OF FRISCO
COUNTY OF SUMMIT
STATE OF COLORADO
ORDINANCE 18- 10**

AN ORDINANCE AMENDING CHAPTER 110 OF THE CODE OF ORDINANCES OF THE TOWN OF FRISCO, CONCERNING THE LICENSING OF BUSINESSES, BY ADDING A NEW ARTICLE III, CONCERNING THE LICENSING AND REGULATION OF SHORT-TERM RENTALS WITHIN THE TOWN.

WHEREAS, the Town of Frisco, Colorado (“Town”) is a home rule municipality operating under a charter adopted pursuant to Article XX of the Colorado Constitution and vested with the authority by that article and the Colorado Revised Statutes to enact laws to govern and regulate land use, businesses and occupations within its territory; and

WHEREAS, pursuant to this authority, the Town Council (“Council”) previously adopted local land use regulations, codified in Chapter 180 of the Code of Ordinances of the Town of Frisco (“Code”), and business and occupation licensing regulations, codified in Chapter 110 of the Code; and

WHEREAS, there are a variety of lodging types within the Town, including hotels, motels, bed and breakfast operations, and residential dwelling units rented on a short-term basis, but there are no regulations that specifically address the provision of lodging within residential dwelling units; and

WHEREAS, the Town Council finds that the provision of short-term rentals within residential dwelling units without appropriate regulation has adverse impacts on neighboring residential dwelling units, and neighborhoods in general; and

WHEREAS, the Town Council finds that the regulation of short term rentals in the Town would further the public health, safety and welfare by ensuring that such lodging places are operated in a manner compatible with the character of the community and consistent with surrounding residential uses.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FRISCO, COLORADO THAT:

Section 1. Chapter 110 of the Code of Ordinances of the Town of Frisco is hereby amended by the addition of a new Article III, to read in its entirety as follows:

ARTICLE III

Licensing of Short Term Rental Property

§ 110-36. Purpose.

The purpose of this Article III is to safeguard the public health, safety and welfare by establishing comprehensive licensing regulations to control the use, occupancy and maintenance of short-term rental properties in the Town.

§ 110-37. Definitions.

As used in this section, the following words shall have the following meanings, unless the context clearly requires otherwise:

ACCOMMODATION UNIT: a separate and distinct living unit or area, including a condominium, townhouse, house, duplex, trailer, studio unit, lock-off unit or any other such similar building, room, group of rooms or any portion or room thereof or therein, designed for or used as a dwelling; provided, however, that an accommodation unit shall not include any unit or area within a hotel, motel, condominium hotel, hostel or boarding, rooming or lodging facility as such uses are defined in Chapter 180 of this Code, so long as such defined use is conducted within an area within which it is permitted by applicable zoning regulations.

LEASE: an agreement or act by which an owner gives to a tenant, for valuable consideration, possession and use of property or a portion thereof for a definite term, at the end of which term the owner has an absolute right to retake control and use of the property.

LEASEE: the party to a lease that has obtained the temporary right to use and occupy property or a portion thereof.

RESPONSIBLE AGENT: a management company or individual who is identified by a licensee as the licensee's responsible agent pursuant to section 110-39.A.2, and who is available 24 hours per day, 7 days per week to respond as the initial point of contact for the short-term rental property.

OWNER: the owner of an accommodation unit in the Town who intends to lease or leases the unit or portion of the unit as a short-term rental property.

SHORT-TERM RENTAL PROPERTY: an accommodation unit available for

lease for a term of less than thirty (30) consecutive days.

§ 110-38. License required.

Effective May 1, 2019, it shall be unlawful for an owner to lease or advertise for lease, or to permit the leasing or advertising for lease, of any short-term rental property within the Town of Frisco without a valid license for the same issued pursuant to this Article. No person who has obtained a license pursuant to this Article shall be required to hold a general business license pursuant to Article I of this Chapter for the same business activity. No person who has obtained a license pursuant to this Article shall be required to hold a sales tax license pursuant to Chapter 160 of this Code for the same business activity.

§ 110-39. License application; term; renewal; non-transferable.

A. *License application.* Applications for a short-term rental license shall be submitted to the Finance Director on a form provided by the Town, and the Finance Director shall accept no incomplete applications. It is the duty of each short-term rental property licensee to ensure that all of the information provided in a license application is kept up to date at all times, and it shall be unlawful for a licensee to fail to provide updated information to the Town within ten (10) days after the date upon which the information provided is no longer accurate. Applications shall provide the following:

1. The full name, residential address and telephone number for the applicant;
2. The full name, business address and telephone number of the responsible agent for the short-term rental property, along with a copy of the writing designating the agent to act, in the applicant's absence, as the representative of the applicant on issues related to the short-term rental and agreeing that the responsible agent shall comply with the requirements and limitations of this Article;
3. The address of the proposed licensed premises and a description or illustration of the area(s) that will be used for short-term rental purposes, along with a statement of the maximum occupancy of the area(s) pursuant to the limitations of Section 110-40.A.3;
4. Proof of the lawful possession of the licensed premises by the applicant, either by deed or lease. If the applicant is not the owner, the application shall include written authorization, signed and notarized, from the owner of the licensed premises for the use of the same for short-term rentals;
5. An application fee in an amount set by the Finance Director from time to time. The application fee shall not be prorated for a portion of a license year, and shall be set at an amount that reasonably reimburses the Town for the costs of implementing and enforcing the provisions of this Article. Such costs shall include the Town's direct and indirect costs in

- (i) accepting, reviewing and issuing decisions on short term rental property license applications; and (ii) inspecting or otherwise engaging in enforcement activities related to the requirements of this Article;
6. A copy of (i) the information notices that comply with the requirements of section 110-40.A.4 and has been posted or placed on or in the subject property; and (ii) the parking plan that complies with the requirements of section 110-40.A.1;
 7. A copy of a valid Colorado sales tax license for the rental activity or the pending application therefor unless, due to the specific nature of the short-term rental property's booking platform, a separate sales tax license is not required by the State of Colorado;
 8. Such other information determined necessary or desirable by the Finance Director to evaluate the compliance of the application, licensed premises or proposed short-term rental activity with the requirements of this Article; and
 9. An affidavit signed by the owner or authorized leasee, under penalty of perjury, certifying that the short-term rental property complies with the life safety standards set forth in Section 110-40.A.5, and that the information notices required by section 110-40.A.4 have been and will remain posted or placed at a conspicuous location on or in the short-term rental property.
- B. *Updating of application.* It is the duty of each short-term rental licensee to ensure that all of the information provided in a license application is kept up to date at all times, and it shall be unlawful for a licensee to fail to provide updated information to the Town within ten (10) days after the date upon which any information provided is no longer accurate.
- C. *Term and renewal of license.* Each license issued under this Article shall be valid from the date of issuance until the next subsequent April 30. An application for renewal of a license shall have the same submittal requirements and shall be considered in the same manner as the original application. An application for renewal of a license issued under this Article shall be made not less than thirty (30) days prior to the expiration of the existing license.
- D. *Transferability of license.* No license issued under this Article shall be transferable and no license is valid as to any person or entity other than the person or entity named thereon, excepting spouses and partners in a civil union.

§ 110-40. Limitations and requirements

- A. *Special requirements.* In addition to the other requirements of this Article, an accommodations unit licensed pursuant to this Article shall, as a condition of such license, be subject to the following requirements and

limitations:

1. *Parking.* The motor vehicles of all occupants of a short-term rental property shall be parked only on the site of the short-term rental property. No motor vehicles shall be parked on the lawn or landscaped area of a short-term rental property, or in the public street or right-of-way adjacent to the property. No person shall be permitted to stay overnight in any motor vehicle which is parked at a short-term rental property. The owner of a short-term rental property shall provide a parking plan for the property, and it shall be unlawful for a person renting a short-term rental property to park or allow the parking of vehicles by occupants of the property other than in locations set forth in the plan;
2. *Trash collection.* The storage and disposal of all trash and garbage from a short-term rental property shall comply with the requirements of section 127-17 of this Code, including but not limited to the requirement that any person in charge of real property within the Town that is served by curbside garbage pickup shall place a garbage can or similar refuse receptacle at the curb only on the day of pickup;
3. *Occupancy.* The maximum occupancy for overnight use of a short-term rental property shall be no more than two (2) people per bedroom, plus four (4) people

The maximum occupancy may be adjusted by a written determination of the Town Manager or his or her designee, following physical inspection of the property. The basis for any increase in maximum occupancy shall be a determination of the actual number of sleeping places, within one or more beds, that are located within a room or rooms that conform to the requirements of the applicable building code for a bedroom.

It shall be unlawful to for the renter of a short-term rental property to allow the overnight occupancy of a short-term rental property by more than the maximum number of people permitted under this subsection;

4. *Renter information notices.* An owner shall post and maintain a sign in a conspicuous location within each short-term rental property that shall contain the following information:
 - a. contact information for police, fire, and ambulance service in the case of an emergency;
 - b. the physical address of the short-term rental property;
 - c. contact information for the responsible agent or property owner;

- d. the Town of Frisco's short-term rental property license number; and
- e. the location of fire extinguishers, if any, and fire escape routes.

An owner shall place and maintain at a conspicuous location within in each short-term rental property written information that provides:

- a. the maximum number of people permitted for overnight occupancy;
- b. the location, by description or depiction, for vehicle parking and maximum number of parked vehicles permitted for the property;
- c. alternative parking locations (if any) for extra vehicles, trailers and campers;
- d. the location of trash and recycling receptacles and the rules and regulations regarding the handling of the same;
- e. snow removal instructions or information;
- f. policies regarding noise;
- f. policies regarding pets; and
- g. applicable homeowners association policies (if any) specific to the property;

- 5. *Life safety.* Each premises licensed under this Article shall:
 - a. conform to the applicable requirements of the Town's building, technical and safety codes adopted by reference in Chapter 65 of this Code;
 - b. have smoke detectors, carbon monoxide detectors and fire extinguishers installed and maintained in operable condition; and
 - c. have wood burning fireplaces and stoves cleaned on an annual basis;
- 6. *Noise and nuisance.* While occupying a short-term rental property as a short-term leasee, no person shall amplify music outdoors, make any noise that violates any provision of Section 127-53 of this Code, nor engage in any act or allow any condition on the premises that constitutes a nuisance under Chapter 124 of this Code;
- 7. *Camping and temporary structures.* While occupying a short-term

rental property as a short-term leasee, no person shall camp outdoors, pitch or use any tents, or construct or use any temporary structure or recreational vehicle or trailer, for overnight purposes; and

8. *Advertising.* All advertising for a short-term rental property shall include a reference to the Town of Frisco short-term rental property license number, which license number shall appear immediately following the first description of the property, as well as a statement of the maximum occupancy permitted for the property.

B. *Owner liable.* Compliance with, and ensuring compliance with, the special requirements set forth in Subsections A.4, A.5 and A.8 of this Section shall be a nondelegable responsibility of the owner of a short-term rental property, and each owner of a short-term rental property shall be strictly liable for complying with, and ensuring compliance with, the conditions and limitations set forth in said subsections.

C. *Inspections.* Because short-term rental properties are, by their nature, intended to be occupied by numerous guests for short periods of occupancy, it is determined that the Town's ability to inspect short-term rental properties is in the interest of public safety. Therefore, whenever it is reasonably necessary to make an inspection to enforce the requirements and limitations of Subsection A of this Section, an authorized public inspector may enter such property at all reasonable times to inspect the same for the purpose of enforcing such requirements and limitations. Provided, that if such short-term rental property is occupied, the authorized public inspector shall first present proper credentials and request entry, and if such property is unoccupied, shall first make reasonable effort to locate the owner, the responsible agent or other person having charge or control of the property and request entry. If such entry is refused, or if the short-term rental property is locked, the authorized public inspector shall have recourse to every remedy provided by law to secure entry. When an authorized public inspector has obtained a proper inspection warrant or other remedy provided by law to secure entry, no owner, occupant or other person having charge, care or control of the short-term rental property shall fail or refuse to promptly permit entry therein by the authorized public inspector for the purpose of inspection of the property. No inspection warrant or permission shall be required for an authorized public inspector to enter and inspect a short-term rental unit in the case of an emergency involving the potential loss of property or human life.

D. *Municipal court warrant.* The municipal court judge may issue an inspection warrant authorizing the inspection of a short-term rental unit pursuant to this Section in accordance with rule 241(b) of the Colorado Municipal Court Rules of Procedure. The municipal court judge may impose such conditions on the inspection warrant as may be necessary in the judge's opinion to protect the private property rights of the owner of the premises to be inspected, or to otherwise make the warrant conform to applicable law.

§110-41. Denial of license.

- A. A short-term rental property license application shall be denied by the Finance Director based on any of the following grounds:
1. All applicable provisions of the town code have not been met;
 2. The required application fees have not been paid;
 3. The application is incomplete or contains false, misleading or fraudulent statements; or
 4. Any reason that would justify suspension or revocation of a license.
- B. In the event of a denial, the Finance Director shall mail or deliver to the applicant a written order of denial stating the reason or reasons for the denial within ten (10) days of the denial.

§110-42. Suspension or revocation of license.

- A. *Suspension.* The Finance Director may suspend a short-term rental property license upon determining that a licensee has:
1. Been found guilty on more than one occasion within the last year by the Frisco Municipal Court of having violated a provision of this Article;
 2. Operated the business in violation of a building, fire, health or safety code adopted by the Town, said determination being based on investigation by the department, division, or agency charged with enforcing said code. In the event of such a code violation, the Finance Director shall promptly notify the licensee of the violation and shall allow the licensee a twenty (20) day period in which to correct the violation. If the licensee fails to correct the violation before the expiration of the twenty (20) day period, the Finance Director shall forthwith suspend the license and shall notify the licensee of the suspension; for purposes of this subsection, code provisions regulating noise shall not constitute a health or safety code violation for which a period to correct the violation is required;
 3. Failed to file tax returns or to pay taxes due to the Town pursuant to applicable provisions of the Town Code; or

4. Failed to pay the annual license fee.

The Finance Director may suspend a short-term rental property license license for a period not to exceed one hundred fifty (150) days. The suspension shall remain in effect until and including the last day in the Finance Director's order or until such time as the violation in question has been corrected, whichever is later.

B. *Revocation.* The Finance Director shall revoke a short-term rental property license upon determining that:

1. A cause for suspension in subsection A of this section occurred and the short term rental property license has been suspended more than once within the preceding twelve (12) months;
2. A licensee gave false or misleading information in the material submitted during the application process that tended to enhance the applicant's opportunity for obtaining a short term rental property license;
3. A licensee knowingly operated the business during a period of time when the licensee's short term rental property license was suspended; or
4. Any fact or condition exists that, if it had existed or had been known to exist at the time of the application for the license, would have warranted the denial of the license.

C. *Effect of revocation.* When the Finance Director revokes a short-term rental property license, the revocation shall continue for one (1) year and the licensee shall not be issued a short-term rental property license for one (1) year from the date revocation became effective.

§ 110-43. Appeal hearing on denial, suspension or revocation.

- A. *Appeal.* An applicant or licensee may appeal a denial, suspension, or revocation of his or her short-term rental property license to the Town Manager and shall be entitled to a hearing before the Town Manager. Said appeal shall be made in writing, stating the grounds for appeal, within five (5) working days of the decision of the Finance Director. In the event of a suspension or revocation hearing, the business may continue to operate during the hearing process.
- B. *Hearing.* At the hearing, the Town Manager shall hear such statements and consider such evidence as is offered that is relevant to the grounds alleged for denial or the violation alleged for suspension or revocation. The Town Manager shall make findings of fact from the statements and evidence offered as to whether such grounds exist or such violation occurred. If the Town Manager

determines that grounds for denial or a cause for suspension or revocation exists, he or she shall issue an order denying, suspending, or revoking the license within thirty (30) days after the hearing is concluded, based on the findings of fact. A copy of the order shall be mailed to or served on the licensee at the address on the license.

- C. *Final order.* The order of the Town Manager made pursuant to subsection B above shall be a final decision and may be appealed to the municipal court pursuant to Colorado Rule of Civil Procedure 106(a)(4). Failure of a licensee to appeal said order in a timely manner constitutes a waiver by him or her of any right he or she may otherwise have to contest the denial, suspension, or revocation of the short-term rental property license.
- D. *Hearing powers.* The Town Manager shall have the power to administer oaths, issue subpoenas, and when necessary grant continuances. Subpoenas may be issued to require the presence of persons and production of papers, books and records necessary to the determination of any hearing that the Town Manager conducts. It is unlawful for any person to fail to comply with any subpoena issued by the Town Manager. A subpoena shall be served in the same manner as a subpoena issued by the District Court of the State of Colorado.
- E. *Recording.* All hearings held before the Town Manager regarding denial, suspension, or revocation of a short-term rental property license issued under this code shall be recorded stenographically or by electronic recording device. Any person requesting a transcript of such record shall post a deposit in the amount required by the Town Manager and shall pay all costs of preparing such record.
- F. *No refund of license fee.* In the event of suspension, revocation, or cessation of business, no portion of the short-term rental property license application fee shall be refunded.

§ 110-44. Violation, penalty and enforcement.

- A. It is unlawful for any owner, responsible agent or occupant of a short-term rental property to violate any provision of this Article.
- B. In addition to the suspension and revocation actions pursuant to Section 110-60 of this Article, violations of this Article are subject to the penalties set forth in Section 1-14 of this Code, and each day or portion thereof during which any violation is committed, continued or permitted shall constitute a separate offense and shall be punishable as a separate offense.

Section 2. Severability. If any provision of this Ordinance should be found by a court of competent jurisdiction to be invalid or preempted, such invalidity or preemption shall not

affect the remaining portions or applications of this Ordinance that can be given effect without the invalid or preempted portion, provided that such remaining portions or applications of this ordinance are not determined by the court to be inoperable. The Town Council declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, despite the fact that any one or more section, subsection, sentence, clause, phrase, or portion would be declared invalid.

Section 3. Effective Date. This Ordinance shall become effective five (5) days after publication on second reading in accordance with the Charter for the Town of Frisco

INTRODUCED, PASSED ON FIRST READING AND PUBLICATION AND POSTING ORDERED THIS 11TH DAY OF DECEMBER, 2018.

ADOPTED ON SECOND AND FINAL READING AND PUBLICATION BY TITLE ORDERED THIS 8TH DAY OF JANUARY, 2018

TOWN OF FRISCO, COLORADO:

Gary Wilkinson, Mayor

ATTEST:

Deborah Wohlmuth, CMC,
Town Clerk