



Boulder County Purchasing
1325 Pearl Street
Boulder, CO 80302
purchasing@bouldercounty.org

REQUEST FOR PROPOSAL
COVER PAGE

RFP Number: **7149-20**

RFP Title: **Certificates of Participation**

RFP Questions Due: May 20, 2020 – 2:00 p.m.

Submittal Due Date: May 29, 2020 – 2:00 p.m.

Email Address: purchasing@bouldercounty.org
eduran@dadco.com
mdeangelis@dadco.com

Documents included in this package:

- Proposal Instructions
- Terms and Conditions
- Specifications
- W-9 Requirements
- Submittal Checklist
- Evaluation Criteria
- Sustainability Questionnaire
- Signature Page
- Attachments:
 - Preliminary Official Statement, Certificates of Participation, Series 2020
 - Sources and Uses



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PROPOSAL INSTRUCTIONS

1. Purpose/Background

Boulder County, Colorado, by and through its Financial Advisor, D.A. Davidson & Co., is accepting proposals from qualified institutions for Fixed-Rate Lending in accordance with the terms, conditions, and specifications contained in these documents.

Lenders wishing to participate should ensure they have all addenda prior to submission of a proposal. Failure to acknowledge receipt of any addenda applicable to this project could result in the rejection of your proposal.

2. Written Inquiries

All inquiries regarding this RFP will be submitted via email to the Boulder County Purchasing Office at purchasing@bouldercounty.org and cc: eduran@dadco.com and mdeangelis@dadco.com on or before 2:00 p.m. **May 20, 2020**. A response from the county to all inquiries will be posted and sent via email no later than **May 22, 2020**.

Please do not contact any other county department or personnel with questions or for information regarding this solicitation.

3. Submittal Instructions

Submittals are due at the email box only, listed below, for time and date recording on or before **2:00 p.m. Mountain Time on May 29, 2020**.

Please note that email responses to this solicitation are limited to a maximum of 50MB capacity. NO ZIP FILES ALLOWED. Electronic submittals must be received in the email box

listed below. Submittals sent to any other box will NOT be forwarded or accepted. This email box is only accessed on the due date of your questions or proposals. Please use the Delivery Receipt option to verify receipt of your email. It is the sole responsibility of the proposer to ensure their documents are received before the deadline specified above. Boulder County does not accept responsibility under any circumstance for delayed or failed email or mailed submittals.

Email purchasing@bouldercounty.org and cc: eduran@dadco.com and mdeangelis@dadco.com identified as **RFP # 7149-20** in the subject line.

All RFPs must be received, and time and date recorded by authorized county staff by the above due date and time. Sole responsibility rests with the proposer to see that their RFP response is received on time at the stated location(s). Any responses received after due date and time will be returned to the proposer.

The Board of County Commissioners reserves the right to reject any and all responses, to waive any informalities or irregularities therein, and to accept the proposal that, in the opinion of the Board, is in the best interest of the Board and of the County of Boulder, State of Colorado.

Americans with Disabilities Act (ADA): If you need special services provided for under the Americans with Disabilities Act, contact the ADA Coordinator or the Human Resources office at (303) 441-3525 at least 48 hours before the scheduled event.



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TERMS AND CONDITIONS

1. Proposers are expected to examine the specifications, schedule of delivery, and all instructions. Failure to do so will be at the proposer's risk.
2. Each proposer will furnish the information required in the Request for Proposals.
3. The Contract/Commitment will be awarded to that responsible proposer whose submittal, conforming to the Request for Proposals, will be most advantageous to the County of Boulder, price and other factors considered.
4. The County of Boulder reserves the right to reject any or all proposals and to waive informalities and minor irregularities in proposals received, and to accept any portion of or all items proposed if deemed in the best interest of the County of Boulder to do so.
5. No submittal will be withdrawn for a period of thirty (30) days subsequent to the opening of proposals without the consent of the County Purchasing Agent or delegated representative.
6. A signed commitment or contract furnished to the successful proposer results in a binding contract without further action by either party.
7. Late or unsigned proposals will not be accepted or considered. It is the responsibility of proposers to ensure that the proposal arrives at the Boulder County Information Desk prior to the time indicated in the "Request for Proposals."
8. The proposed price will be exclusive of any Federal or State taxes from which the County of Boulder is exempt by law.
9. Any interpretation, correction or change of the RFP documents will be made by Addendum. Interpretations, corrections and changes of the RFP documents made in any other manner will not be binding, and proposer will not rely upon such interpretations, corrections and changes. The County's Representative will not be responsible for oral

clarification.

10. Confidential/Proprietary Information: Proposals submitted in response to this “Request for Proposals” and any resulting contract are subject to the provisions of the Colorado Public (Open) Records Act, 24-72-201 et.seq., C.R.S., as amended. Any restrictions on the use or inspection of material contained within the proposal and any resulting contract will be clearly stated in the proposal itself. Confidential/proprietary information must be readily identified, marked and separated/packaged from the rest of the proposal. **Co-mingling of confidential/proprietary and other information is NOT acceptable. Neither a proposal, in its entirety, nor proposal price information will be considered confidential/proprietary. Any information that will be included in any resulting contract cannot be considered confidential.**

The Boulder County Attorney’s Office retains sole authority for determining whether the Colorado Open Records Act requires or permits Boulder County to disclose proposal or bid documents, or any information contained therein, pursuant to an open records request.

11. Boulder County promotes the purchase/leasing of energy efficient, materials efficient and reduced toxic level products where availability, quality and budget constraints allow. Proposers are expected whenever possible to provide products that earn the ENERGY STAR and meet the ENERGY STAR specifications for energy efficiency with power management features enabled. Proposers are encouraged to offer products and equipment with post-consumer recycled-content materials. Products should be packaged and delivered with a minimum amount of recycled packaging that adequately protects the product but is not excessive.
12. Pursuant to Colorado law (House Bill 1292), in any bidding process for public works in which a bid is received from a non-resident bidder who is from a state that provides a percentage bidding preference, a comparable percentage disadvantage will be applied to the bid of that bidder. Bidders may obtain additional information from the Department of Personnel’s website: <http://www.colorado.gov/dpa/>.



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SPECIFICATIONS

REQUEST FOR PROPOSALS

Boulder County, Colorado, by and through its Financial Advisor, D.A. Davidson & Co., is accepting proposals from qualified institutions for Fixed-Rate Lending in accordance with the terms, conditions, and specifications contained in these documents.

Lenders wishing to participate should ensure they have all addenda prior to submission of a proposal. Failure to acknowledge receipt of any addenda applicable to this project could result in the rejection of your proposal.

I. INVITATION / INTENT/ SCOPE OF SERVICES

Borrower: Boulder County, Colorado (the “County”)

General: The County is seeking proposals from direct lenders as further described in this RFP. Interested lenders should submit proposals directly to Boulder County Purchasing Office and D.A. Davidson & Co. Proposals from brokers or agents may be rejected by the County. The County reserves the right to reject any or all proposals and to waive any irregularities associated with any proposal.

Amount & Description: A direct bank loan or placement totaling up to \$35MM of which \$24,130,000 will be financed on a tax exempt basis and \$10,080,000 will be financed on taxable basis. The Loan is to be structured as a Certificate of Participation and the lender will be secured by a first deed of trust on the property described below (the “Leased Property”). The Loan will not be a “bank-qualified” obligation. The Note evidencing the Loan will not be registered with either DTC or CUSIP. The County will not provide a credit rating, however the County’s existing COPs are rated AA+ by S&P. A copy of the Preliminary Official Statement is included as part of this credit package. The County is evaluating and comparing the terms of a bank financing versus a market financing, which is why a Preliminary Official Statement was prepared.

Purpose: The proceeds of the Loan will be used to finance the cost of various public facility projects in the County, **which are not collateral for the transaction**, as described below:

Lafayette Land and Building Purchase (\$12,751,275):

The Lafayette Building was purchased as complete core and shell construction with 40,169 SF of unfinished floor space on two floors that is ready for tenant improvements. The building has already been purchased by the County and the County expects to reimburse itself with Certificate proceeds. The building is located on a 1.96-acre parcel in a growing area of SE Boulder County and includes 100 dedicated paved parking spaces on the lot. The site provides quick connectivity to the Northwest Parkway, US 287, US 36 and South Boulder Road. The County's intent is to build out the space to house various public facing functions. When completed, this satellite location will provide broad range of County services and enhance access for residents of SE Boulder County.

Lafayette Tenant Finish (\$9,258,714):

The new Lafayette Mini Hub will be a 'one stop shop' for Boulder County services with a secure entry reception and a right-sized administrative building to support the residents of SE Boulder County. An architectural consultant will be hired to create an innovative, open office plan with quality and sustainable finishes that communicate Boulder County's core values and adhere to County design standards. The County anticipates planning for approximately 200 employees with the intent of creating an interior office space that fosters the Boulder County workplace culture through intentional planning to promote communication and collaboration amongst staff. Technology and excellent audio-visual planning will be integrated into the plans for greater productivity and flexibility.

***Compost Processing Station (\$7,000,000):**

As recommended from the Resource Conservation Advisory Board Infrastructure and Sustainability Tax Committees, compost processing is a top priority for zero waste infrastructure needs as identified with the sustainability tax prioritization. This compost facility will have the capacity to capture 20 to 30 percent of compostable materials in the County, which would increase overall County diversion by an additional 5 to 10 percent. The facility will also be designed to provide high-quality, low-cost compost to Boulder County farmers and cities engaging in carbon sequestration, thereby creating a national model for enhancing carbon sequestration. The County has already purchased the land on which to construct the facility South of Longmont along State Hwy 287.

BOCC Hearing Room & 3rd Floor Remodel (\$1,635,495):

The current layout and design of the BOCC Hearing room and third floor of the Historic Courthouse does not facilitate effective hearings or provide a proper public to employee boundary. By remodeling the hearing room and bringing the third floor of the Historic Courthouse up to current design standards, the BOCC staff will have the work stations and amenities they need to better serve our clients and work effectively, and a Hearing Room that provides more space for public as well as providing upgraded recording capabilities.

***Fiber Line Automation (\$2,875,000):**

The Resource Conservation Division is requesting \$2,875,000 in funding to support the Boulder County Recycling Center's business sustainability project to automate the fiber processing line. This project involves installing two large optical sorting machines. The optical sorters will be placed on the two main paper (fiber) sort lines and will eject cardboard and containers from the fiber stream. The primary goals of the project are to sustain the current production of high-value products, lower operating costs, and ensure product quality and market sustainability in the most challenging global marketing times our industry has ever faced. The County has identified three

project objectives: 1) protect our current ability to produce a high-quality #56 and #58 paper product; 2) increase cardboard recovery, and 3) decrease plant labor requirements.

**To be financed by taxable bond proceeds that will amortize prior to the tax exempt projects. See enclosed sources and uses.*

Description of the Leased Property:

The Leased Property consists of (a) a 40,169-square-foot building that the County plans to use to provide services (the “Future County Services Facility”) and (b) an approximately 24,000-square-foot County courtroom annex (the “Annex Facility”).

The Future County Services Facility is a two-story masonry over steel frame building, the core and shell of which is complete and ready for interior finish, located on a fully landscaped 1.96-acre parcel of land at 1755 South Public Road in the City of Lafayette with 100 dedicated paved parking spaces. The Annex Facility is a 2-story building with a fully finished basement constructed in 1882 located on a 0.17-acre parcel of land at 2045 13th Street in the City of Boulder.

Security: The COP shall be secured by and payable from (i) a security interest in the revenue derived from base rental payments the County makes with respect to the Leased Property, which payments are subject to annual appropriation by the County, (ii) amounts received from any lease or sublease of the Leased Property or any sale or assignment of any interest that the Lender has in the Leased Property. Neither the Certificate of Participation nor any payments required under the lease constitute an indebtedness of the County within the meaning of any provision or limitation of the Constitution or statutes of the State. Neither the COP nor the lease will directly or indirectly obligate the County to make any payments other than those which may be appropriated by the County for its then-current Fiscal Year.

Given the strength of its credit, the County does not intend to fund a debt service reserve fund. The first deed of trust on the Leased Property is also expected to be taken in an abundance of caution by the Lender. No appraisal is expected.

Information on the County’s finances and financial obligations can be found in the attached Preliminary Official Statement.

Payment Dates: Interest on the Loan will be payable semiannually on June 1 and December 1, commencing December 1, 2020. The County is interested in proposals for commitment terms of 10 and 15 years.

Interest: The Loan will bear interest at a fixed rate per annum, calculated on the basis of a 360-day year of twelve 30-day months, with the interest rate fixed through the final amortization of the Loan.

Basis for Award: The County expects to select the lender which it believes will best meet its overall expectations for the proposed financing. The County will consider the qualifications and experience of the lenders, their ability to comply with the preferred structure and terms as outlined in this RFP, and the overall cost of the proposals as determined by the County. Any necessary credit approvals should be completed upon the submission of your proposal, if possible. The County reserves the right to reject any and all proposals submitted in response to

this RFP, to negotiate with any proposing firm, and to seek financing through other means. The County also reserves the right to request additional information from any of the proposing firms and to waive any irregularities in any proposal.

If the Loan is not closed for any reason, prospective lenders will have no recourse against the County, its elected officials, employees, or officers, its Financial Advisor, general counsel, bond counsel, or any of their affiliates, agents, or representatives for any expenses, losses, damages, or liability incurred.

The failure to disclose substantive terms, conditions, and covenants in the proposal may be considered cause for the proposal to be rejected by the County.

At the closing of the Loan, the lender will be required to make certain certifications, including, but not limited to, signing a closing certificate that states:

- A) It is a bank, trust company, savings institution, or insurance company that is engaged as a regular part of its business in making loans;
- B) It is making the Loan for its own account, does not currently intend to syndicate the Loan, and will take no action to cause the Loan to be characterized as a security;
- C) It will not treat the Loan as a municipal security for purposes of any securities law (whether described as a bond, or a note, or by other terminology);
- D) There will be no CUSIPs obtained on the Loan; and,
- E) There will be no credit rating obtained on the Loan.

Timeframe: The County expects to select a preferred lender by early June 2020. The County intends to contact the preferred lender and start the process of reviewing loan documentation immediately. Settlement of the financing is expected to occur by the end of June 2020.

II. INSTRUCTIONS TO PROPOSERS

The proposer shall provide a clear, concise submittal that will address the lender's ability and experience in complying with the scope of work requirements set forth in this RFP.

One electronic copy of each proposal shall be submitted and organized in the format indicated below. Electronic copies shall be submitted as a **single** .pdf file, labeled with the name of the firm, submitted via email as indicated on Page 1 of this document.

Proposals shall not exceed 20 pages in length, including all attachments. The proposal shall be organized using the following format:

1. Legal name of the lender and the primary contact person.
2. Fixed Interest Rate - The proposal should provide fixed interest rates for the proposed \$10,080,000 on a taxable basis and \$24,130,000 on a tax-exempt basis and should include no more than three options. If the submitted interest rates are subject to change prior to the projected closing date on or before June 30, 2020, please explain the timing and the methodology of setting the final rate, including an applicable formula or indexed calculation which would be used to determine the final rate on the day of pricing.

Interest rate proposals should clearly state the related optional prepayment terms. The County expects the loan to be pre-payable at any time at par. More than one interest rate proposal may be submitted based on different prepayment terms. While the County anticipates that the Loan will close before June 30, 2020, it will also consider lending proposals which assume a rate lock until closing. Offerors proposing a rate lock should include any salient terms associated with using such an option, such as interest rate agreement termination provisions, if any.

3. Fees and Expenses - The proposal should clearly indicate the total amount of any fees and expenses which will be charged to the County if your proposal is accepted, including any fees payable for your legal representation. If your firm expects to be represented by outside legal counsel, please identify the law firm which you would expect to retain for that purpose.

4. Conditions or Covenants - Provide a listing of all conditions, covenants, terms or restrictions, which would be included in your commitment to provide the Loan. The County may reject proposals which provide for a change in the rate of interest during the term of the Loan, including proposed "default rates", interest rate changes linked to the future tax treatment of the Loan, or changes in the lender's cost of capital. The County may reject proposals based on specific Conditions or Covenants requested by the lender, including any Conditions or Covenants which may be considered "usual and customary" by the prospective lender.

5. The County will not be liable for any expenses incurred in connection with the preparation of a response to this RFP. No successful proposer may assign any portion of the contractual agreement between the parties without prior written authorization by the County.

6. The County will not move any of its depository accounts to the selected lender. Any proposals requiring the movement of bank depository accounts will not be considered.

III. REQUIREMENTS AND GENERAL INFORMATION

- A. Boulder County is exempt from all local, state and federal taxes.
- B. The selected consultant must complete a W-9 form (Taxpayer Identification No.).
- C. **Boulder County reserves the right to reject any and all proposals, to waive any informalities or minor irregularities in proposals, and to accept the proposal deemed, in the opinion of the County, to be in the best interest of the County.**

Attachments

- 1. Preliminary Official Statement, Certificates of Participation, Series 2020
- 2. Sources and Uses



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W-9 REQUIREMENTS

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Provide a copy of your business's W-9 with your proposal.



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SUBMITTAL SECTION

The proposer’s attention is especially called to the items listed below, which must be submitted in full as part of the PROPOSAL. Failure to submit any of the documents listed below as a part of your PROPOSAL, or failure to acknowledge any addendum in writing with your PROPOSAL, or submitting a proposal on any condition, limitation or provision not officially invited in this Request for Proposal (RFP) may be cause for rejection of the PROPOSAL.

THIS CHECKLIST MUST BE SUBMITTED AS PART OF YOUR PROPOSAL PACKAGE: Proposer will check each box indicating compliance:

INCLUDED	ITEM
	Name and Address of Firm
	A detailed proposed term sheet for the financing
	Information on the relevant experience of key personnel
	State your compliance with the Terms and Conditions contained in this RFP. Specifically list any deviations and provide justification for each deviation.
	Submit three references for similar projects your company has completed within the last three years and contact information
	W-9
	Sustainability Questionnaire
	Signature Page
	Addendum Acknowledgement(s) (If Applicable)



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EVALUATION CRITERIA

The proposals will be reviewed by a selection committee. The committee may request additional information from vendors or request interviews with one or more vendors. Final evaluation and selection may be based on, but not limited to, any or all of the following:

- Information presented in proposal
- Ability of the vendor to provide quality and timely products and services
- Qualifications and experience of the vendor
- Sustainability Questionnaire score
- Reference checks
- Proposed terms and pricing
- Proposed timeline
- Any other relevant and appropriate factors as determined by the county

A scoring matrix with the order and priority of criteria to be used by the county in its evaluation and selection process is shown below:

Description	Points
Information presented in proposal	12.5
Ability of the vendor to provide quality and timely products and services	12.5
Qualifications and experience of the vendor	12.5
Sustainability Questionnaire score	12.5
Reference checks	12.5
Proposed terms and pricing	12.5
Proposed timeline	12.5
Any other relevant and appropriate factors as determined by the county	12.5
Total Possible	100



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SUSTAINABILITY QUESTIONNAIRE

Company Name: _____ Date: _____

This questionnaire is applicable to firms that provide services as well as those that provide goods. Please answer the questions to the best of your ability.

1. What sustainability certifications does your business have? Please check the items that apply:

- B-Corp
- Green Business Bureau
- Fair Trade USA
- Green C Certification
- None
- Other - describe any other certifications your company has related to sustainability.

2. Does your company have a sustainability vision/commitment/values statement or policy? Please check the items that apply:

- Our sustainability statement/policy describes our company's sustainability initiatives.
- We have formed an oversight committee to ensure the success of our sustainability policy.
- Our sustainability statement/policy describes how our company explores opportunities to work with communities, governments and non-governmental and professional organizations to help articulate, teach and advance the principles of sustainability.
- We are currently in the process of developing a sustainability statement/policy consistent with a commitment to promote environmental, economic, and social sustainability.
- None
- Other - Provide (or supply a link) your company's sustainability statement/policy.

3. What policies are in place to monitor and manage your supply chain regarding sustainability issues? Please select all that apply:

- We apply sustainability criteria when making purchasing decisions.
- We partner with suppliers who share in our sustainability commitment and/or work with them to reduce the impact to the environment of our resource needs as well as improve worker conditions.
- We purchase “green” (i.e. recyclable, reusable, non-toxic, compostable, fair trade and made from 100% post-consumer recycled materials) supplies, products, and materials.
- We specify locally manufactured products in procuring goods.
- We specify products that use the Electronic Products Environmental Assessment Tool (EPEAT) standards in procuring goods.
- None.
- Other – describe other ways your company monitors and manages your supply chain concerning environmental issues.

4. Does your company promote sustainable transportation in its operations? Please select all that apply:

- We own, rent, or lease electric fleet vehicles.
- We own, rent, or lease hybrid or natural gas fueled fleet vehicles.
- We encourage carpooling, public transportation, and using other alternative modes of transportation.
- We subsidize public transportation for employees.
- We have an established Green Transportation Plan
- We are developing a Green Transportation Plan
- We offer flexible hours, telecommuting, or a compressed work week.
- We utilize teleconference, video conference, WebEx or GoTo Meetings (or other similar conferencing services).
- None
- Other – describe other ways your company promotes sustainable transportation. If applicable, use this space to describe your company’s Green Transportation Plan (whether existing or in development).

5. What does your company do to minimize the environmental impacts associated with shipping? Please check the items that apply:

- We have established company policies and procedures that minimize the need for shipping in the first place
- We combine deliveries with customer visits.
- We consolidate deliveries.
- We use bike couriers for local delivery.
- We utilize electronic communications and electronic transfer of documents, such as e-mail, fax and Portable Document Format (PDF).
- We specify products that can be purchased locally within a 500-mile radius of the delivery location in procuring goods.
- We are currently evaluating what the company can do to minimize the environmental impacts associated with shipping (must describe below; no additional points awarded for providing this description).
- Our packaging/shipping materials are reusable.
- Our packaging/shipping materials are made from 100% post-consumer recycled materials.
- N/A
- Other – describe what your company does to minimize the environmental costs associated with shipping. If applicable, use this space to provide required description(s).

6. Has your company ever been cited for non-compliance of any law, regulation, ordinance, code, rule, standard, or policy regarding an environmental or safety issue? Please check the item that applies:

- No, my company HAS NOT been cited for non-compliance regarding an environmental or safety issue.
- Yes, my company HAS been cited for non-compliance of an environmental or safety issue.
- N/A State the reason, date and outcome of the citation:

7. What programs do you have, either in place or currently being planned, to promote resource efficiency? Examples include energy or waste audit programs. Please check the items that apply:

- We have an established zero waste program.
- We utilize a facilities energy management system.
- We have adopted a climate action plan.
- We have a water conservation program.
- We have formed a sustainability committee to identify sustainable solutions for our company.
- We are a member of various sustainability organizations.

- We are recognized by peers and environmental organizations for providing leadership in Sustainability.
- None
- Other - what other programs do you have in place or planned for promoting resource. Efficiency?

8. If your business’s proposal involves the provision of a product, does the manufacturer of the product, whether your business or an outside entity, have a sustainability policy statement? Please check the item that applies:

- No, the manufacturer of the product that I am proposing DOES NOT have a sustainability policy statement.
- Yes, the manufacturer of the product that I am proposing HAS a sustainability policy statement.
- Not applicable.

Provide Sustainability Policy Statement:

9. If your business’s proposal involves the provision of a product, has the manufacturer of the product, whether your business or an outside entity, ever been cited for non-compliance of any law, regulation, ordinance, code, rule, standard, or policy regarding an environmental or safety issue? Please check the item that applies:

- No, the manufacturer of the product that I am proposing HAS NOT been cited for noncompliance regarding an environmental or safety issue.
- Yes, the manufacturer of the product that I am proposing HAS been cited for noncompliance regarding an environmental or safety issue.
- Not applicable.

Provide reason, date and outcome of the citation:

10. If your business’s bid/proposal involves the provision of a product, has an environmental life-cycle analysis of the product that you are proposing been conducted by a certified testing organization, such as Green Seal, Energy Star, and Cradle to Cradle? Please check the item that applies.

- No, an environmental life-cycle analysis of the product that I am bidding/proposing HAS NOT been conducted by a certified testing organization, such as Green Seal.
- Yes, an environmental life-cycle analysis of the product that I am bidding/proposing HAS been conducted by a certified testing organization, such as Green Seal.
- Not applicable.

Provide certification:



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SIGNATURE PAGE

Contact Information	Response
Company Name including DBA	
List Type of Organization (Corporation, Partnership, etc.)	
Name, Title, and Email Address of Person Authorized to Contract with Boulder County	
Company Address	
Company Phone Number	
Company Website	

By signing below, I certify that:

I am authorized to bid on my company's behalf.

I am not currently an employee of Boulder County.

None of my employees or agents is currently an employee of Boulder County.

I am not related to any Boulder County employee or Elected Official.

(Sole Proprietorships Only) I am not a Public Employees' Retirement Association (PERA) retiree.

**Signature of Person Authorized to Bid on
 Company's Behalf**

Date

Note: If you cannot certify the above statements, please explain in a statement of explanation.

NEW ISSUE-BOOK-ENTRY ONLY

UNRATED

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 by the County and the Trustee with certain covenants, the portion of the Base Rentals paid by the County which is designated and paid as interest, as provided in the Lease, and received by the Owners of the Series 2020A Certificates, 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 the portion of the Base Rentals paid by the County which is designated and paid as interest, as provided in the Lease, and received by the Owners of the Series 2020A Certificates, is excludable from gross income for federal income tax purposes, such portion of the Base Rentals paid by the County which is designated and paid as interest as provided in the Lease and received by the Owners of the Series 2020A Certificates is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. For a more complete description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

\$ _____*

CERTIFICATES OF PARTICIPATION
Series 2020
evidencing undivided interests in
the right to receive certain revenues payable by
BOULDER COUNTY, COLORADO
under a Lease Purchase Agreement
dated as of May __, 2020

Dated Date of Delivery

Due: December 1, as shown below

The Series 2020A Certificates are being executed and delivered by UMB Bank, n.a. (the "Trustee") pursuant to an Indenture of Trust dated as of May __, 2020 (the "Indenture") in fully registered form in denominations of \$5,000 or any integral multiple thereof. Interest on the Series 2020A Certificates, at the rates set forth below, is payable semiannually on June 1 and December 1 of each year, commencing on [December 1, 2020.] The Series 2020A Certificates are issuable in fully registered form and are initially to be registered in the name of Cede & Co., as nominee for The Depository Trust Company, as securities depository for the 2020A Certificates. Beneficial owners are not to receive certificates evidencing their interests in the 2020A Certificates. See "THE SERIES 2020A CERTIFICATES - Book-Entry Form."

MATURITY SCHEDULE
(CUSIP® No. _____)

<u>Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield⁽¹⁾</u>	<u>CUSIP® Issue Number⁽²⁾</u>	<u>Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield⁽¹⁾</u>	<u>CUSIP® Issue Number⁽²⁾</u>
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- (1) This information is not provided by the County.
- (2) The County takes no responsibility for the accuracy of CUSIP Numbers, which are included solely for the convenience of the owners of the Series Series 2020A Certificates.

The Series 2020A Certificates are subject to redemption prior to their respective maturity dates as described under "THE SERIES 2020A CERTIFICATES - Redemption."

The Series 2020A Certificates evidence undivided interests in the right to receive certain revenues payable by Boulder County, Colorado (the "County"), under a Lease Purchase Agreement dated as of May __, 2020 (the "Lease") between the Trustee, as lessor, and the County, as lessee. The properties that are subject to the Lease (the "Leased Property") are described herein under "THE LEASED PROPERTY." The net proceeds of the Series 2020A Certificates are to be used to finance various public facility projects in the County.

The Series 2020A Certificates are payable solely from (1) the Base Rentals; (2) the Purchase Option Price, if paid; (3) any Net Proceeds; (4) any portion of the proceeds of any Series 2020A Certificates deposited with or by the Trustee in the Certificate Fund to pay accrued interest on the Series 2020A Certificates; (5) any earnings on moneys on deposit in the Certificate Fund; (6) all other revenues derived from the Lease, excluding Additional Rentals; and (7) any other moneys to which the Trustee may be entitled for the benefit of the Owners. No provision of the Series 2020A Certificates, the Indenture, the Site Lease or the Lease is to be construed or interpreted (a) to directly or indirectly obligate the County to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (b) as creating a debt or multiple

* Preliminary, subject to change.

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This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

fiscal year direct or indirect debt or other financial obligation whatsoever of the County within the meaning of Article XI, Section 6 or Article X, Section 20 of the Colorado Constitution or any other constitutional or statutory limitation or provision; (c) as a delegation of governmental powers by the County; (d) as a loan or pledge of the credit or faith of the County or as creating any responsibility by the County for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the Colorado Constitution; or (e) as a donation or grant by the County to, or in aid of, any person, company or corporation within the meaning of Article XI, Section 2 of the Colorado Constitution.

All financial obligations of the County under the Lease, including the County's obligation to pay Base Rentals, are subject to annual appropriation by the Board of County Commissioners of the County. The Lease is subject to annual termination by the County and will be terminated upon the occurrence of an Event of Nonappropriation or an Event of Default under the Lease. Upon the occurrence of an Event of Nonappropriation or an Event of Default under the Lease, the only sources available for payment of the Series 2020A Certificates will be moneys, if any, held in the Certificate Fund created under the Indenture and moneys received by the Trustee from the lease or sale of the Leased Property and the exercise of other remedies available under the Lease and the Indenture. There is no assurance that the Trustee will receive any moneys from the lease or sale of the Leased Property or the exercise of other remedies under the Lease and the Indenture following the occurrence of an Event of Nonappropriation or an Event of Default under the Lease. For additional risks associated with an investment in the Series 2020A Certificates, see "RISK FACTORS."

This Cover Page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this Official Statement in its entirety to obtain information essential to making an informed investment decision.

The 2020 Certificates are offered when, as, and if executed and delivered by the Trustee subject to approval of legality and certain other legal matters by Kutak Rock LLP, Denver, Colorado, as Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the County by Ben Pearlman, Esq., County Attorney, and Sherman & Howard L.L.C., Special Counsel to the County. It is expected that the 2020 Certificates in book-entry form will be available for deposit with The Depository Trust Company and delivery in New York, New York, on or about May __, 2020.

The date of this Official Statement is May __, 2020.

USE OF THE INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Series 2020A Certificates in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2020A Certificates, and if given or made, such information or representations must not be relied upon as having been authorized by the County. The County maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2020A Certificates.

The information set forth in this Official Statement has been obtained from the County, from the sources referenced throughout this Official Statement and from other sources believed to be reliable. No representation or warranty is made by the County, however, as to the accuracy or completeness of information received from parties other than the County. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2020A Certificates shall, under any circumstances, create any implication that there has been no change in the affairs of the County, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the Series 2020A Certificates and may not be reproduced or used in whole or in part for any other purpose.

The Series 2020A Certificates have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The Series 2020A Certificates have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document

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OFFICIAL STATEMENT

relating to

\$ _____ *

CERTIFICATES OF PARTICIPATION

Series 2020

evidencing undivided interests in
the right to receive certain revenues payable by
BOULDER COUNTY, COLORADO
under a Lease Purchase Agreement
dated as of May __, 2020

INTRODUCTION

This Official Statement, which includes the cover page and the Appendices, provides certain information in connection with the execution and delivery of \$ _____ * aggregate principal amount of Certificates of Participation (the “**Series 2020A Certificates**”), evidencing undivided interests in the right to receive certain payments by Boulder County, Colorado (the “**County**”) under a Lease Purchase Agreement, dated as of May __, 2020 (the “**Lease**”), between UMB Bank, n.a. (the “**Trustee**”), as lessor, and the County, as lessee. The County is a political subdivision of the State of Colorado (the “**State**”). The Series 2020A Certificates are being executed and delivered by the Trustee pursuant to a Trust Indenture, dated as of May __, 2020 (the “**Indenture**”), entered into by the Trustee on behalf of the owners of the Series 2020A Certificates. Capitalized terms used but not defined herein have the meanings given them in APPENDIX C to this Official Statement.

Certain properties comprised of a future County Services facility and an existing County Court Annex facility constitute the “**Leased Property**.” Such facilities are owned by the County and will be leased by the County to the Trustee pursuant to a Site Lease, dated May __, 2020 (the “**Site Lease**”). The Leased Property is then to be leased to the County by the Trustee pursuant to the Lease.

The net proceeds of the Series 2020A Certificates are to be used to finance various public facility projects in the County.

Under the terms of the Lease, the County is required to pay Base Rentals and Additional Rentals for the use of the Leased Property, the amounts of which are intended to be sufficient in time and amount to pay, when due, the principal of and interest on the Series 2020A Certificates and the costs of maintenance, taxes, insurance and other costs with respect to the Leased Property. Under the Lease, the County is required to pay all Additional Rentals directly to the persons or entities to whom or which such Additional Rentals are owed. “Base Rentals” means the amounts payable by the County under the Lease for payment of the Series 2020A Certificates, including components designated as principal and interest, and “Additional Rentals” means the amounts payable by the County for maintenance, taxes, insurance and other costs with respect to the Leased Property under the Lease.

The Lease does not constitute a mandatory payment obligation in any fiscal year beyond the fiscal year for which the County has appropriated amounts to make payments under the Lease. The County may renew or cancel its obligations under the Lease on an annual basis. The exercise by the County of its option not to renew or to cancel its obligations under the Lease (an “**Event of Nonappropriation**”) is determined by the failure of the governing body of the County to budget and appropriate moneys to pay all Base Rentals and all estimated Additional Rentals for the next ensuing Renewal Term.

The County also has the option to purchase the Trustee's interests in the Leased Property at any time by paying an amount sufficient to effect a redemption or defeasance, as applicable, of the Series 2020A Certificates then outstanding and to pay all Additional Rentals payable through the date of conveyance of the Leased Property to the County.

Although the Base Rentals and the Additional Rentals are payable from any legally available funds of the County, the County expects to pay Base Rentals and Additional Rentals due under the Lease from certain unrestricted amounts in its General Fund. See "SECURITY FOR THE SERIES 2020A CERTIFICATES" and "FINANCIAL INFORMATION CONCERNING THE COUNTY – FIVE-YEAR HISTORY OF GENERAL FUND."

The Trustee has no assets or revenues available for payment of the Series 2020A Certificates other than its right to use proceeds of the Series 2020A Certificates under the Indenture, its rights to Base Rentals and Additional Rentals under the Lease and its other rights and interests under the Indenture, the Lease and the Site Lease.

This Official Statement includes financial and other information about the County and also contains descriptions of the Series 2020A Certificates and related documents. None of such information or descriptions purports to be complete. All references to financial and other information about the County are qualified in their entirety by reference to "APPENDIX A – General Purpose Financial Statements for the Year Ended December 31, 2018." All references to the Series 2020A Certificates and related documents are qualified in their entirety by reference to the approved form of the Series 2020A Certificates and such related documents.

THE SERIES 2020A CERTIFICATES

Authority

The County is authorized by part 1 of article 11 of title 30, Colorado Revised Statutes, as amended, and a resolution (the "**Authorizing Resolution**") adopted by the Board of County Commissioners (the "**Board**") to enter into the Lease. The Lease may be entered into without voter approval because the County's payment obligations thereunder are subject to annual renewal or cancellation at the option of the County and therefore do not constitute a "multiple-fiscal year direct or indirect debt or other financial obligation" requiring voter approval under Colorado Constitution art. X, § 20. See "CONSTITUTIONAL REVENUE, SPENDING AND DEBT LIMITATIONS."

Description of Certificates

The Series 2020A Certificates are initially dated, mature and bear interest and are subject to other terms and conditions set forth on the cover page.

Redemption

Redemption of Certificates in Whole Upon an Event of Nonappropriation or Event of Default Under the Lease. The Series 2020A Certificates are to be called for redemption in whole, at a redemption price determined as described in the following paragraph, on any date, in the event of the occurrence of an Event of Nonappropriation or the occurrence and continuation of an Event of Default under the Lease.

The redemption price for any such redemption is to be the lesser of (i) the principal amount of the Series 2020A Certificates, plus accrued interest to redemption date (without any premium); or (ii) the sum of (A) the amount, if any, received by the Trustee from the exercise of remedies under the

Lease with respect to the Event of Nonappropriation or the occurrence and continuation of the Event of Default that gave rise to such redemption and (B) the other amounts available in the Trust Estate for payment of the redemption price of the Series 2020A Certificates, which amounts are to be allocated among the Series 2020A Certificates in proportion to the principal amount of each Certificate. Notwithstanding any other provision of the Indenture, the payment of the redemption price of any Certificate pursuant to this redemption provision is to be deemed to be the payment in full of such Certificate and no Owner of any Certificate redeemed pursuant to this redemption provision will have any right to any payment from the Trustee or the County in excess of such redemption price.

In addition to any other notice required to be given under the Indenture, the Trustee is to, immediately upon the occurrence of an Event of Nonappropriation or an Event of Default, notify the Owners (i) that such event has occurred and (ii) whether or not the funds then available to it for such purpose are sufficient to pay the redemption price set forth in clause (i) of the immediately preceding paragraph. If the funds then available to the Trustee are sufficient to pay the redemption price set forth in clause (i) of the immediately preceding paragraph, such redemption price will be paid as soon as possible. If the funds then available to the Trustee are not sufficient to pay the redemption price set forth in clause (i) of the immediately preceding paragraph, the Trustee is to (A) immediately pay the portion of the redemption price that can be paid from the funds available, net of any funds which, in the judgment of the Trustee, should be set aside to pursue remedies under the Lease and (B) subject to the provisions of the Indenture, immediately begin to exercise and diligently pursue all remedies available to them under the Lease in connection of such Event of Nonappropriation or Event of Default. The remainder of the redemption price, if any, will be paid to the Owners if and when funds become available to the Trustee from the exercise of such remedies.

Redemption of Series 2020A Certificates in Whole or in Part Upon Payment of Purchase Option Price. The Series 2020A Certificates are to be called for redemption, in whole or in part in integral multiples of \$5,000, and if in part, in such order of maturities as the County determines and by lot within a maturity, at a redemption price equal to the principal amount of the Series 2020A Certificates, plus accrued interest to the redemption date (without any premium), on any date on and after December 1, _____, in the event of, and to the extent that moneys are actually received by the Trustee from, the exercise by the County of its option to purchase the Leased Property.

Notice of Redemption. Notice of the call for any redemption, identifying the Series 2020A Certificates or portions thereof to be redeemed and specifying the terms of such redemption, will be given by the Trustee by mailing a copy of the redemption notice by United States certified or registered first-class mail, at least 30 days prior to the date fixed for redemption, to the Owner of each Certificate to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, will not affect the validity of any proceedings of any Certificates as to which no such failure has occurred.

Any notice mailed as described under this caption will be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

If at the time of mailing of notice of redemption there has not been deposited with the Trustee moneys sufficient to redeem all the Series 2020A Certificates called for redemption, which moneys are or will be available for redemption of Certificates, such notice will state that it is conditional upon the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and such notice will be of no effect unless such moneys are so deposited.

Redemption Payments. On or prior to the date fixed for redemption, the Trustee is to apply funds to the payment of the Series 2020A Certificates called for redemption, together with accrued interest thereon to the redemption date, and any required premium. Upon the giving of notice and the

deposit of such funds as may be available for redemption pursuant to the Indenture (which, in the case of a redemption described in “Redemption of Certificates in Whole Upon an Event of Nonappropriation or Event of Default Under the Lease” above, may be less than the full principal amount of Outstanding Certificates and accrued interest thereon to the redemption date), interest on the Series 2020A Certificates or portions thereof thus called for redemption will no longer accrue after the date fixed for redemption.

The Trustee is to pay to the Owners of Certificates so redeemed the amounts due on their respective Certificates upon any such redemption.

Principal of and Interest on Series 2020A Certificates

Set forth in the following table is a schedule of the Base Rental payments due by the County under the Lease and the payments of principal of and interest due on the Series 2020A Certificates. See the cover page of this Official Statement for the actual interest rates for each maturity of the Series 2020A Certificates.

Table No. 1

Calendar Year	Principal	Interest	Total
---------------	-----------	----------	-------

Payment and Registration

The Series 2020A Certificates are issuable in fully registered form and are initially to be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“**DTC**”), as securities depository for the Series 2020A Certificates (the “**Securities Depository**”). Purchases by beneficial owners (“**Beneficial Owners**”) of the Series 2020A Certificates are to be made in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. The principal of and premium, if any, on each Certificate are payable upon maturity or prior redemption thereof upon presentation and surrender thereof at the Operations Center of the Trustee. Interest on each Certificate is payable by check or draft of the Trustee mailed on or before each interest payment date to the Owner of such Certificate at his address as it last appears on the registration records of the Trustee at the close of business on the fifteenth day (whether or not such day is a business day) of the calendar month preceding the month in which such interest payment date occurs; provided that, so long as Cede & Co. is the registered owner of the Series 2020A Certificates, principal of, premium, if any, and interest on the Series 2020A Certificates is to be paid by wire transfer to DTC. Payments to Beneficial Owners are to be made as described below under “THE BONDS – Book-Entry Form.”

Neither the County nor the Trustee has any responsibility or obligation for the payment to the participants of the Securities Depository (“**Participants**”), any Beneficial Owner or any other person of the principal of and interest on the Series 2020A Certificates.

Neither the County nor the Trustee has any responsibility or obligation with respect to the accuracy of the records of the Securities Depository or its Participants regarding any ownership interest in the Series 2020A Certificates or the delivery to any Participant, Beneficial Owner or any other person of any notice with respect to the Series 2020A Certificates.

Transfer and Exchange

The Trustee is to maintain registration books in which the ownership, transfer and exchange of Certificates are to be recorded. Fully registered Certificates may be exchanged, at the Operations Center of the Trustee for an equal aggregate principal amount of fully registered Certificates of the same maturity of other authorized denominations. The Trustee is to execute and deliver Certificates which the Owner making the exchange is entitled to receive, bearing numbers not previously assigned.

Neither the County nor the Trustee has any responsibility or obligation with respect to the accuracy of the records of the Securities Depository or its Participants regarding any ownership interest in the Series 2020A Certificates or transfers thereof.

The following description of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2020A Certificates, payment of interest and other payments on the Series 2020A Certificates, confirmation and transfer of beneficial ownership interests in the Series 2020A Certificates and other certificate-related transactions is based solely on information furnished by DTC.

DTC acts as securities depository for the Series 2020A Certificates. The Series 2020A Certificates will be executed and delivered 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 Certificate will be issued for each maturity, in the aggregate principal amount of such maturity, and will be 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 3.5 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. 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 is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both 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 a Standard & Poor's rating of AA+. The DTC Rules applicable to 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 Series 2020A Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020A Certificates on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and

Indirect Participants' records. Beneficial Owners are not to receive written confirmations from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2020A Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners are not to receive certificates representing their ownership interests in the Series 2020A Certificates, except in the event that use of the book-entry system for the Series 2020A Certificates is discontinued.

To facilitate subsequent transfers, all Certificates 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 2020A Certificates 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 the Series 2020A Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account 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 Series 2020A Certificates may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2020A Certificates, such as redemptions, tenders, defaults and proposed amendments to the Series 2020A Certificate documents. For example, Beneficial Owners of Series 2020A Certificates may wish to ascertain that the nominee holding the Series 2020A Certificates 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 are to be sent to DTC. If less than all of the Series 2020A Certificates are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2020A Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 Series 2020A Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Series 2020A Certificates 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 County or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be 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 nor its nominee, the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Trustee, disbursement of such payments to Direct Participants will 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 2020A Certificates at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2020A Certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

USE OF PROCEEDS

It is estimated that the sources and uses of funds (exclusive of investment earnings) in connection with the Series 2020A Certificates will be as follows:

Table No. 2

Sources of Funds

Principal Amount	
Premium	
Total	

Uses of Funds

Deposit to County Fund	
Underwriter's Discount	
Cost of Issuance	
Total	

THE LEASED PROPERTY

Description of the Leased Property

The Leased Property consists of the Trustee's leasehold interest under the Site Lease in (a) a 40,169-square-foot building that the County plans to use to provide services (the "Future County Services Facility") and (b) an approximately 24,000-square-foot County courtroom annex (the "Annex Facility").

The Future County Services Facility is a two-story masonry over steel frame building, the core and shell of which is complete and ready for interior finish, located on a fully landscaped 1.96-acre parcel of land at 1755 South Public Road in the City of Lafayette with 100 dedicated paved parking spaces. The Annex Facility is a 2-story building with a fully finished basement constructed in 1882 located on a 0.17-acre parcel of land at 2045 13th Street in the City of Boulder. A legal description of the land included in the Leased Property is provided in the Lease.

The Trustee will lease the Leased Property to the County for an amount that has been acknowledged by the County and the Trustee to be the fair annual rental value of the Leased Property so long as the Lease is in effect.

SECURITY FOR THE SERIES 2020A CERTIFICATES

Generally

The Series 2020A Certificates are payable solely from (1) the Base Rentals; (2) the Purchase Option Price, if paid; (3) any Net Proceeds; (4) any portion of the proceeds of any Series 2020A Certificates deposited with or by the Trustee in the Certificate Fund to pay accrued interest on the Series 2020A Certificates; (5) any earnings on moneys on deposit in the Certificate Fund; (6) all other revenues derived from the Lease, excluding Additional Rentals; and (7) any other moneys to which the Trustee may be entitled for the benefit of the Owners. **No provision of the Series 2020A Certificates, the Indenture, the Lease, the Site Lease is to be construed or interpreted (a) to directly or indirectly obligate the County to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (b) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the County within the meaning of Article XI, Section 6 or Article X, Section 20 of the Colorado Constitution or any other constitutional or statutory limitation or provision; (c) as a delegation of governmental powers by the County; (d) as a loan or pledge of the credit or faith of the County or as creating any responsibility by the County for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the Colorado Constitution; or (e) as a donation or grant by the County to, or in aid of, any person, company or corporation within the meaning of Article XI, Section 2 of the Colorado Constitution.**

Base Rentals and Purchase Option Price

The Trustee will hold in trust, for the benefit of the Owners of the Series 2020A Certificates, the right of the Trustee to receive Base Rentals payable by the County under the Lease. The amount and timing of Base Rental payments are designed to provide sufficient moneys to the Trustee to pay the principal of and interest on the Series 2020A Certificates when due. Pursuant to the Lease, the County is entitled to a credit against the Base Rentals payable on any payment date for amounts on deposit in the Certificate Fund representing (i) accrued interest, if any, from the sale of Certificates, (ii) earnings from the investment of moneys in the Certificate Fund, and (iii) any moneys delivered to the Trustee by the County or any other Person that are accompanied by instructions to apply the same to the

payment of Base Rentals or to deposit the same in the Certificate Fund. See “SECURITY FOR THE SERIES 2020A CERTIFICATES – Certificate Fund” below under this caption.

The Purchase Option Price, which is payable only if and when the County exercises its option to purchase the Leased Property pursuant to the Lease, and which, together with other amounts then on deposit in the Certificate Fund that are available for such purpose, is designed to provide sufficient moneys (a) to pay all the Outstanding Series 2020A Certificates at maturity, to redeem all Outstanding Series 2020A Certificates in accordance with the redemption provisions of the Indenture, or to defease all the Outstanding Series 2020A Certificates in accordance with the defeasance provisions of the Indenture, and (b) to pay all Additional Rentals payable through the date of conveyance of the Leased Property to the County or its designee pursuant to this Article, including, but not limited to, all fees and expenses of the Trustee relating to the conveyance of the Leased Property and the payment, redemption or defeasance of the Series 2020A Certificates. See “LEASE – County’s Purchase Option.”

Certificate Fund

The Trustee will deposit into the Interest Account of the Certificate Fund (i) all accrued interest, if any, received at the time of the execution and delivery of the Series 2020A Certificates; (ii) that portion of each payment of Base Rentals made by the County which is designated and paid as the interest component thereof under the Lease; and (iii) all other moneys received by the Trustee under the Indenture accompanied by directions that such moneys are to be deposited into the Interest Account of the Certificate Fund.

The Trustee will deposit into the Principal Account of the Certificate Fund (i) that portion of each payment of Base Rentals made by the County which is designated and paid as the principal component thereof under the Lease; (ii) any moneys transferred to the Principal Account of the Certificate Fund from the Costs of Issuance Fund as described in the Indenture; and (iii) all other moneys received by the Trustee under the Indenture accompanied by directions that such moneys are to be deposited into the Principal Account of the Certificate Fund.

Moneys in the Interest Account of the Certificate Fund are to be used solely for the payment of interest on the Series 2020A Certificates and moneys in the Principal Account of the Certificate Fund are to be used solely for the payment of the principal of and premium, if any, due on the Series 2020A Certificates; provided that (i) in the event that there are any remaining moneys upon payment of the interest due on the Series 2020A Certificates, such moneys may be used for the payment of principal of and premium, if any, due on the Series 2020A Certificates; (ii) moneys representing accrued interest received at the time of the execution and delivery of the Series 2020A Certificates will be used solely to pay the first interest due on such Series 2020A Certificates; (iii) the Purchase Option Price and any other moneys transferred to the Certificate Fund with specific instructions that such moneys be used to pay the redemption price of Series 2020A Certificates are to be used solely to pay the redemption price of the Series 2020A Certificates; provided, further, that all moneys in the Certificate Fund are to be available to pay the redemption price of the Series 2020A Certificates in connection with a redemption of all the Series 2020A Certificates and to pay the principal of, premium, if any, and interest on any Series 2020A Certificates following an Event of Default or Event of Nonappropriation.

Exercise of Remedies under Lease, Site Lease and Indenture

Upon the occurrence of an Event of Nonappropriation, event of default by the County under the Site Lease or an Event of Default under the Lease, the Trustee is permitted to lease or sell (with respect to properties conveyed in fee) its interest in all or any portion of the Leased Property or exercise its other remedies under the Lease, the Site Lease and the Indenture. See “LEASE – Events of Default and Remedies under the Lease” in the body of this Official Statement and “INDENTURE – Remedies of

Trustee Upon the Occurrence of an Event of Default or Event of Nonappropriation” in APPENDIX C. See “THE SERIES 2020A CERTIFICATES – Redemption” for a description of the terms on which the Series 2020A Certificates are subject to redemption upon the occurrence of an Event of Nonappropriation or an Event of Default under the Lease. See “RISK FACTORS – Limited Sources of Payment Following Termination of the Lease” for a description of the limited sources of payment of the Series 2020A Certificates after a termination of the Lease. For a description of the Leased Property, see “LEASED PROPERTY.”

Forward-Looking Statements

This Official Statement, and particularly the information contained under the caption, “RISK FACTORS,” 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” 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. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see “RISK FACTORS” herein.

RISK FACTORS

THE PURCHASE OF THE SERIES 2020A CERTIFICATES IS SUBJECT TO CERTAIN RISKS. THIS OFFICIAL STATEMENT SHOULD BE READ IN ITS ENTIRETY. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE FACTORS DESCRIBED BELOW THAT, AMONG OTHERS, COULD AFFECT THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THE s AND THAT COULD ALSO AFFECT THE MARKET PRICE OF THE SERIES 2020A CERTIFICATES TO AN EXTENT THAT CANNOT BE DETERMINED.

Limited Sources Available for Payment of Series 2020A Certificates

The Series 2020A Certificates are payable solely from (1) the Base Rentals; (2) the Purchase Option Price, if paid; (3) any Net Proceeds; (4) any portion of the proceeds of any Series 2020A Certificates deposited with or by the Trustee in the Certificate Fund; (5) any earnings on moneys on deposit in the Certificate Fund; (6) all other revenues derived from the Lease, excluding Additional Rentals; and (7) any other moneys to which the Trustee may be entitled for the benefit of the Owners. See “SECURITY FOR THE SERIES 2020A CERTIFICATES.”

Financial Obligations of the County are Subject to Annual Appropriation

All financial obligations of the County under the Lease, including the County’s obligation to pay Base Rentals, are subject to annual appropriation by the Board of County Commissioners of the County. The annual decision of the Board of County Commissioners of the County to appropriate or not to appropriate amounts payable under the Lease for any Fiscal Year is dependent upon a variety of factors that are beyond the control of the Owners of Series 2020A Certificates, including, but not limited to:

(a) The amount of funds available to the County in such Fiscal Year, which is dependent on a variety of other factors that are beyond the control of Owners of the Series 2020A Certificates, including, but not limited to, economic conditions in the County and the State, the assessed value of taxable property in the County, the County’s ad valorem property tax mill levy, and the amount

of property tax revenue generated by the County's ad valorem property tax mill levy. See "FINANCIAL INFORMATION CONCERNING THE COUNTY."

(b) Other demands on available County funds, which are dependent on a variety of other factors that are beyond the control of Owners of the Series 2020A Certificates, including, but not limited to, relations between the County and its employees and the amount required to be expended to pay the compensation of County employees, the County's capital needs, and the cost of services and property provided to the County by third parties. See "THE COUNTY."

(c) The County's continued desire to use the Leased Property, which is dependent on a variety of other factors beyond the control of the Owners of the Series 2020A Certificates.

Event of Nonappropriation Following Damage, Condemnation, Material Defect or Loss of Title

As described in more detail in "LEASE – Event of Nonappropriation," an Event of Nonappropriation will be deemed to have occurred if (a) the Net Proceeds available following damage to, condemnation of, a material defect with respect to or loss of title to any portion of the Leased Property are not sufficient to repair, restore, modify, improve or replace the Leased Property in accordance with the Lease and (b) the County has not appropriated amounts sufficient to repair, restore, modify, improve or replace the Leased Property or to exercise its option to purchase the Leased Property by December 31 of the Fiscal Year in which such event occurs or the insufficiency of Net Proceeds becomes apparent.

Because damage to, condemnation of, a material defect with respect to or loss of title to any portion of the Leased Property will likely occur with limited warning, the risk that the Board of County Commissioners of the County will fail to appropriate any amounts required to avoid the occurrence of an Event of Nonappropriation following such an event may be greater than the risk that the Board of County Commissioners of the County will fail to appropriate regularly scheduled Base Rentals and related Additional Rentals because the latter can more easily be planned for in advance.

County Funds Available for Appropriation Subject to Restrictions and Discretionary Deposits

Although the Base Rentals and Additional Rentals are payable from any legally available funds of the County, the County expects to pay Base Rentals and Additional Rentals due under the Lease from certain unrestricted amounts in its General Fund.

All amounts deposited in the General Fund are allocated annually to such fund solely at the discretion of the Board of County Commissioners of the County. Historical deposits of such amounts may be instructive regarding the County's past practices and priorities but do not guarantee that such levels of discretionary deposits will continue in the future. See "FINANCIAL INFORMATION CONCERNING THE COUNTY – Five-Year History of General Fund."

A change in the statutes governing the imposition of the taxes and fees described, or the allocation thereof, could have an adverse effect on the County's annual determination to appropriate amounts to pay Base Rents and Additional Rents.

Certain Risks Related to COVID-19 (Coronavirus)

General. The spread of the coronavirus disease 2019 ("COVID-19") is currently altering the behavior of individuals and businesses in a manner that is having significant negative effects on global, national, and local economies. State and local governments, including the State, have announced orders, recommendations and other measures intended to slow the spread of COVID-19, including the closing of businesses and "stay at home" orders. These COVID-19 measures are changing rapidly, often

daily and in some cases, multiple times in a single day. Unemployment claims are accelerating in many areas due to these developments. Further, state and local governments, including the State, have announced orders permitting the late payment of property taxes with no interest or penalties.

Stay at Home Orders. On March 25, 2020, Colorado Governor Polis issued Executive Order D 2020 017 (the “Executive Stay At Home Order”) which, with certain exceptions, ordered Coloradans to stay at home whenever possible due to the presence of COVID-19 in the State, and also directed the Colorado Department of Public Health and Environment (the “CDPHE”) to issue a public health order consistent with the directives of the Governor contained in such executive order. The Executive Stay At Home Order was effective March 26, 2020. On April 22, 2020, Governor Polis announced that upon the expiration of the Executive Stay at Home Order, Colorado would become subject to a “safer-at-home” policy. This policy is expected to permit certain businesses to open, depending upon the business, and such businesses must follow certain rules regarding social distancing and similar measures. CDPHE provides information relating to COVID-19 and related developments in the State on its website, <https://colorado.gov/cdphe/>.⁽¹⁾

Uncertain Impact. It is unknown how extensive the spread of COVID-19 will be in the State, or how long the current restrictions will remain in place. The County cannot predict: (i) the duration or extent of the COVID-19 pandemic; (ii) the duration or expansion of related business closings, public health orders, regulations and legislation; (iii) whether property owners in the County or in the area of the County will suspend or terminate activities; or (iv) what effect the COVID-19 pandemic will continue to have on global, national, and local economies, including the land development business.

There can be no assurance that the spread of COVID-19 and the implementation of restrictions on a local, State and national level will not materially impact the local, State and national economies and, accordingly, there is no guarantee that such occurrences will not have an adverse effect on the County’s annual determination to appropriate amounts to pay Base Rents and Additional Rents. See “FINANCIAL INFORMATION CONCERNING THE COUNTY – Management’s Discussion and Analysis of Results of Operation – Impact of COVID-19.”

Operating Costs

In addition to the Base Rentals payable by the County under the Lease, the County is responsible for paying all costs relating to the operation and maintenance of the Leased Property and certain costs of repairing and replacing the Leased Property. See “LEASE – Obligations of County Generally.” The amount and timing of such other costs could affect the willingness of the County to appropriate Base Rentals and could increase the risk of the occurrence of an Event of Default. See “Financial Obligations of the County are Subject to Appropriation” above under this caption.

Limited Sources of Payment Following Termination of the Lease

The Lease is subject to annual termination by the County and will be terminated upon the occurrence of an Event of Nonappropriation or an Event of Default under the Lease. Upon the occurrence of an Event of Nonappropriation or an Event of Default under the Lease, the Series 2020A Certificates are subject to redemption at a redemption price that may be less than the principal of and accrued interest on the Series 2020A Certificates. In addition, the redemption price may not be paid in full within any particular period following the occurrence of the Event of Nonappropriation or Event of Default under the Lease, but, instead, may be paid in whole or in part only if and when funds become available to the Trustee from the exercise of remedies under the Lease. See “INTRODUCTION – Prior Redemption -

⁽¹⁾ References to website addresses presented herein are for informational purposes only. Such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement

Redemption of Certificates in Whole Upon an Event of Nonappropriation or Event of Default under the Lease.”

The only sources available for payment following a termination of the Lease will be moneys, if any, held in the Certificate Fund created under the Indenture and moneys received by the Trustee from the sale or lease of the Leased Property and the exercise of other remedies available under the Lease and the Indenture. There is no assurance that the Trustee will receive any moneys from the sale or lease of the Leased Property or the exercise of other remedies under the Lease and the Indenture following the occurrence of an Event of Nonappropriation or an Event of Default under the Lease.

The amount and timing of moneys received by the Trustee from the sale or lease of the Leased Property or the exercise of other remedies under the Lease and the Indenture following the occurrence of an Event of Nonappropriation or an Event of Default under the Lease may be adversely affected by, among other factors: economic conditions in the County, the State and the nation that could reduce the amount of money available to a potential purchaser or lessee of the Leased Property; and delays in the availability of the Leased Property for lease because of (a) delays in enforcing the remedies under the Lease and the Indenture, including, but not limited to, delays inherent in court proceedings and delays resulting from limitations on the enforceability of the Series 2020A Certificates, the Indenture and the Lease referred to in “Limitations on Enforceability of Rights and Remedies” below under this caption, (b) delays in finding a purchaser or lessee for the Leased Property and (c) delays in consummating a purchase, lease or other arrangement with a purchaser or lessee. See “THE LEASED PROPERTY – Description of Leased Property.

Possible Condemnation by County

The County has agreed in the Lease that, to the extent permitted by law, in the event it brings an eminent domain or condemnation proceeding with respect to all or any portion of the Leased Property, the value of the condemned portion of the Leased Property is to be not less than the greater of (i) if the Series 2020A Certificates are then subject to redemption, the redemption price of the Series 2020A Certificates that are attributable to the condemned property or (ii) if the Series 2020A Certificates are not then subject to redemption, the amount necessary to defease the Series 2020A Certificates attributable to the condemned property to the first date on which the Series 2020A Certificates are subject to redemption.

It is, however, not clear that the agreement described in the immediately preceding paragraph is enforceable. Bond Counsel and the County Attorney have not delivered any opinions, and the County and the Trustee have not made any representation, regarding the enforceability of such agreement. If the agreement described in the immediately preceding paragraph is not enforceable, there is a risk that the County could attempt to terminate the Lease and condemn the Leased Property and that the court hearing the condemnation proceeding could order a condemnation price (which under State law is supposed to be fair market value) that is insufficient to pay the principal of and interest on the Series 2020A Certificates.

Trustee’s Limited Obligation

The Trustee has no assets or revenues available for payment of the Series 2020A Certificates other than its right to use proceeds of the Series 2020A Certificates under the Indenture, its rights to Base Rentals and Additional Rentals under the Lease and its other rights and interests under the Indenture, the Lease and the Site Lease.

Limitations on Enforceability of Rights and Remedies

The rights of the owners of the Series 2020A Certificates and the enforceability of the Series 2020A Certificates, the Indenture, the Site Lease and the Lease may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America. The opinions of Bond Counsel, the County Attorney and other attorneys delivered in connection with the issuance of the Series 2020A Certificates will contain qualifications for the limitations described in the preceding sentence.

Tax and Securities Law Exemptions Following Termination of the Lease

Bond Counsel has expressed no opinion as to the effect of any termination of the Lease on the treatment for federal or State income tax purposes of any moneys received by the Owners subsequent to such termination or as to the effect of any such termination of the Lease on the exemption of the Series 2020A Certificates from registration under federal securities laws subsequent to such termination. See "TAX MATTERS." Owners of the Series 2020A Certificates should not, therefore, assume that the interest received by them following a termination of the Lease will be exempt from federal or State income taxation or that the Series 2020A Certificates will be transferable without registration under the federal securities laws following a termination of the Lease.

Future Changes in Laws

Various State laws and constitutional provisions limit revenues and spending of the state and local governments, such as the County, and govern generally the operation of the County. State laws, constitutional provisions and federal laws and regulations also apply to the obligations created by the issuance of the Series 2020A Certificates. There can be no assurance that there will not be changes in interpretation of or additions to the applicable laws and provisions which would have a material adverse effect, directly or indirectly, on the affairs of the County.

LEASE

The County will lease the Leased Property from the Trustee pursuant to the Lease. This section contains a brief summary of some of the principal terms of the Lease. For a more complete summary of the terms of the Lease, see "LEASE" in APPENDIX C.

Obligations of Trustee Generally

The Trustee has agreed in the Lease to permit the County to use the Leased Property during the Lease Term, subject to the terms of the Lease.

Obligations of County Generally

The County has agreed in the Lease, subject to the terms of the Lease and subject to the caveat that all obligations of the County to pay Base Rentals and Additional Rentals and all other obligations of the County under the Lease are subject to annual appropriation by the Board of County Commissioners of the County and the other limitations discussed below under this caption:

- (a) To pay Base Rentals for the use of the Leased Property;

(b) To pay all taxes, assessments and other governmental charges and utility charges with respect to the Leased Property;

(c) To insure or self-insure the Leased Property;

(d) To maintain, preserve and keep the Leased Property in good repair, working order and condition, subject to normal wear and tear;

(e) Except as described under “Event of Nonappropriation” below under this caption, to repair, restore, modify, improve or replace the Leased Property following (i) the destruction or damage of the Leased Property by fire or other casualty, (ii) the taking of the Leased Property by eminent domain, (iii) a breach of warranty or material defect with respect to the Leased Property (iv) or a defect in the title to the Leased Property;

(f) To pay the fees of the Trustee and the expenses of the Trustee in connection with the Leased Property, the Lease, the Site Lease, the Indenture, the Series 2020A Certificates or any matter related thereto;

(g) To make payments to the Trustee required to be deposited into the Rebate Fund as and when required by the Indenture; and

(h) To pay the costs incurred pursuant to clauses (b) through (g) above as Additional Rentals.

Lease Term

The Lease Term will be comprised of an Initial Term and successive one-year Renewal Terms, will commence on the date the Series 2020A Certificates are issued and will expire upon the earliest of:

(a) The last day of the month in which the final Base Rental payment is scheduled to be paid in accordance with the schedule attached to the Lease;

(b) December 31 of the Initial Term or December 31 of any Renewal Term during which, in either case, an Event of Nonappropriation has occurred;

(c) The purchase of the Leased Property by the County pursuant to its exercise of its option to pay the Purchase Option Price; or

(d) Termination of the Lease following an Event of Default under the Lease as described below.

Upon termination of the Lease Term, all unaccrued obligations of the County under the Lease are to terminate, but all obligations of the County that have accrued under the Lease prior to such termination are to continue until they are discharged in full. If the Lease Term is terminated because of the occurrence of an Event of Nonappropriation or an Event of Default, the County’s right to possession of the Leased Property under the Lease is to terminate and (i) the County is required to, within 90 days, vacate the Leased Property; and (ii) if and to the extent the County has appropriated funds for payment of Base Rentals and Additional Rentals payable during, or with respect to the County’s use of the Leased Property during, the period between termination of the Lease Term and the date the Leased Property is vacated pursuant to clause (i), the County is required to pay such Base Rentals and Additional Rentals to the Trustee or, in the case of Additional Rentals, the other Person entitled thereto.

Event of Nonappropriation

The officer of the County who is responsible for formulating budget proposals with respect to payments of Base Rentals and Additional Rentals is directed in the Lease (i) to estimate the Additional Rentals payable in the next ensuing Fiscal Year prior to the submission of each annual budget proposal to the Board of County Commissioners of the County during the Lease Term and (ii) to include in each annual budget proposal submitted to the Board of County Commissioners of the County during the Lease Term the entire amount of Base Rentals scheduled to be paid and the Additional Rentals estimated to be payable during the next ensuing Fiscal Year; it being the intention of the County that any decision to continue or to terminate the Lease is to be made solely by the Board of County Commissioners of the County, in its sole discretion, and not by any other department, agency or official of the County.

An Event of Nonappropriation is to be deemed to have occurred on December 31 of any Fiscal Year if the County has, on such date, failed, for any reason, to appropriate sufficient amounts authorized and directed to be used to pay all Base Rentals scheduled to be paid and all Additional Rentals estimated to be payable in the next ensuing Fiscal Year.

An Event of Nonappropriation is also to be deemed to have occurred if:

(a) (i) The Leased Property (or any portion thereof) is destroyed or damaged by fire or other casualty (ii) title to, or the temporary or permanent use of, the Leased Property (or any portion thereof) or the estate of the County or the Trustee in the Leased Property (or any portion thereof), is taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority (iii) a breach of warranty or any material defect with respect to the Leased Property (or any portion thereof) becomes apparent, or (iv) title to or the use of the Leased Property (or any portion thereof) is lost by reason of a defect in the title thereto,

(b) The Net Proceeds received as a consequence of an event described in clause (a) are not sufficient to repair, restore, modify, improve or replace the Leased Property in accordance with the Lease, and

(c) The County has not appropriated amounts sufficient to repair, restore, modify, improve or replace the Leased Property to the extent Net Proceeds are insufficient or to exercise its option to purchase the Leased Property by paying the Purchase Option Price by December 31 of the Fiscal Year in which such event occurred or by December 31 of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve or replace the Leased Property becomes apparent.

Notwithstanding the preceding two paragraphs, the Trustee may waive any such failure to appropriate that otherwise would cause an Event of Nonappropriation to occur if such failure to appropriate is cured by the County within 30 days after the first day of any Fiscal Year for which such appropriation is effective.

County's Purchase Option

The County has the option to purchase the Leased Property by paying to the Trustee an amount (the "**Purchase Option Price**"), which, together with other amounts then on deposit in the Certificate Fund that are available for such purpose, is sufficient (a) to pay all the Outstanding Certificates at maturity, to redeem all Outstanding Certificates in accordance with the redemption provisions of the Indenture or to defease all the Outstanding Certificates in accordance with the defeasance provisions of the Indenture and (b) to pay all Additional Rentals payable through the date of conveyance of the Leased

Property to the County or its designee, including but not limited to, all fees and expenses of the Trustee, relating to the conveyance of the Leased Property and the payment, redemption or defeasance of the Series 2020A Certificates.

The County may exercise its option to purchase the Leased Property by (i) giving written notice to the Trustee prior to the end of the Scheduled Lease Term (A) stating that the County intends to purchase the Leased Property, (B) identifying the source of funds it will use to pay the Purchase Option Price and (C) specifying a closing date for such purpose which is at least 30 and no more than 90 days after the delivery of such notice and (ii) paying the Purchase Option Price to the Trustee in immediately available funds on the closing date.

At the closing of any purchase of the Leased Property pursuant to the County's exercise of its purchase option, the Trustee is to execute and deliver to the County or its designee, all necessary documents assigning, transferring and conveying to the County or its designee the same interest in the Leased Property that was conveyed to the Trustee, subject only to the following: (i) Permitted Encumbrances, other than the Lease, the Site Lease and the Indenture; (ii) all liens, encumbrances and restrictions created or suffered to exist by the Trustee as required or permitted by the Lease or the Site Lease or arising as a result of any action taken or omitted to be taken by the Trustee as required or permitted by the Lease; (iii) any lien or encumbrance created or suffered to exist by action of the County; and (iv) those liens and encumbrances (if any) to which the Leased Property was subject when acquired by the Trustee.

Limitations on Obligations of the County

The Lease specifically provides that:

(a) Payment of Base Rentals and Additional Rentals by the County is to constitute currently appropriated expenditures of the County and may be paid solely from any legally available funds;

(b) The County's obligations under the Lease are subject to the County's right to cause the Lease to expire following the occurrence of an Event of Nonappropriation as provided in the Lease;

(c) No provision of the Series 2020A Certificates, the Indenture, the Site Lease or the Lease is to be construed or interpreted (i) to directly or indirectly obligate the County to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (ii) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the County within the meaning of Article XI, Section 6 or Article X, Section 20 of the State Constitution or any other constitutional or statutory limitation or provision; (iii) as a delegation of governmental powers by the County; (iv) as a loan or pledge of the credit or faith of the County or as creating any responsibility by the County for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the State Constitution; or (v) as a donation or grant by the County to, or in aid of, any person, company or corporation within the meaning of Article XI, Section 2 of the State Constitution.

(d) The County is to be under no obligation whatsoever to exercise its option to purchase the Leased Property; and

(e) No provision of the Lease is to be construed to pledge or to create a lien on any class or source of moneys of the County, nor is any provision of the Lease to restrict the future issuance of any obligations of the County, payable from any class or source of moneys of the County.

Events of Default and Remedies under the Lease

Events of Default. Any of the following constitutes an “Event of Default” under the Lease:

(a) Failure by the County to pay any specifically appropriated Base Rentals to the Trustee on or before the applicable Base Rental Payment Date; provided, however, that a failure by the County to pay Base Rentals on the applicable Base Rental Payment Date is not to constitute an Event of Default if such payment is received by the Trustee within two Business Days following such Base Rental Payment Date;

(b) Failure by the County to pay any Additional Rental for which funds have been specifically appropriated when due, or if such Additional Rental is payable to a Person other than the Trustee, when nonpayment thereof has, or may have, a material adverse effect upon the Leased Property or the interest of the Trustee in the Leased Property;

(c) Failure by the County to vacate the Leased Property within 90 days following an Event of Nonappropriation as described in “Termination of the Lease” above under this caption; or

(d) Any sublease, assignment, encumbrance, conveyance or other transfer of the interest of the County in all or any portion of the Lease or the Leased Property in violation of the provisions of the Lease described in “LEASE – Transfer of County’s Interest in Lease and Leased Property Prohibited” in APPENDIX C.

(e) Failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (a), (b), (c) or (d) above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied is to be given to the County by the Trustee; provided, however, that if the failure stated in the notice cannot be corrected within such 30 days, such period is to be extended so long as the County instituted and diligently pursued corrective action until the default is corrected.

The provisions regarding Events of Default set forth above are subject to the following limitations:

(i) The County is obligated to pay Base Rentals and Additional Rentals only during the Lease Term, except as otherwise expressly provided in the Lease; and

(ii) If, by reason of Force Majeure, the County is unable in whole or in part to carry out any agreement on its part contained in the Lease, other than its obligation to pay Base Rentals or Additional Rentals, the County will not be deemed in default during the continuance of such inability; provided, however, that the County will, as promptly as legally and reasonably possible, remedy the cause or causes preventing the County from carrying out such agreement.

Remedies. Whenever any Event of Default has happened and is continuing, the Trustee may take one or any combination of the following remedial steps:

(a) Terminate the Lease Term and give notice to the County to immediately vacate the Leased Property in the manner provided in the Lease;

(b) Sell or lease its interest in all or any portion of the Leased Property;

(c) Recover from the County;

(i) the portion of Base Rentals and Additional Rentals payable as described in “Lease Term” above;

(ii) the portion of Base Rentals for the then current Fiscal Year that has been specifically appropriated by the County, regardless of when the County vacates the Leased Property; and

(iii) the portion of the Additional Rentals for the then current Fiscal Year that has been specifically appropriated by the County, but only to the extent such Additional Rentals are payable prior to the date, or are attributable to the use of the Leased Property prior to the date, the County vacates the Leased Property;

(d) Enforce any provision of the Lease by equitable remedy, including, but not limited to, enforcement of the restrictions on assignment, encumbrance, conveyance, transfer or succession described under “LEASE – Transfer of County’s Interest in Lease and Leased Property Prohibited” in APPENDIX C by specific performance, writ of mandamus or other injunctive relief; and

(e) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under this Lease, subject, however, to the limitations on the obligations of the County described in the next paragraph and in “Limitations on Obligations of the County” above and the limitations on the obligations of the Trustee described in “Limitations on Obligations of the Trustee” below.

A judgment requiring a payment of money may be entered against the County by reason of an Event of Default only as to the County’s liabilities described in clause (c) above. A judgment requiring a payment of money may be entered against the County by reason of an Event of Nonappropriation, or a failure to vacate the Leased Property following an Event of Nonappropriation, only to the extent described in clause (c)(i) above.

Notwithstanding any other provision of the Lease, the Trustee may waive any Event of Default under the Lease and its consequences.

Limitations on Obligations of the Trustee

The Lease specifically provides that:

(a) THE TRUSTEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PORTION THEREOF;

(b) In no event is the Trustee liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of the Lease or the existence, furnishing, functioning or use by the County of any item, product or service provided in the Lease; and

(c) Notwithstanding any other provision of the Lease, all financial obligations of the Trustee under the Lease, except those resulting from its negligence or willful misconduct, are limited to the funds available to the Trust Estate.

THE COUNTY

General

The territory within the County first became part of the United States in 1803 with the Louisiana Purchase. The first record of modern settlement in the County dates from March, 1859, when reference is made in a letter to the laying out of the City of Boulder. In 1861 the Colorado Territory was created with the County being one of the original counties represented in the first Territorial Assembly. The first settlers of the County were gold miners. Farmers, coal miners and traders followed.

Today, the County remains diversified with both rural and urban settings. The University of Colorado at Boulder, two school districts and numerous scientific, research and recreational facilities are among the attributes of the County. Population of the County is approximately 325,500 with approximately one-third of the population in the City of Boulder and the remainder dispersed throughout the County in the municipalities of Longmont, Lafayette, Louisville, and in the smaller communities of Lyons, Nederland, Erie, Ward, Allenspark, Jamestown, Superior and unincorporated areas.

The County covers an area of 741 square miles and is situated on the eastern slopes of the Rocky Mountains. Elevations within the boundaries of the County vary from the 5,000-foot level of the plains to the 14,000-foot peaks of the Continental Divide.

Geography and Climate

The County is located twenty-two miles northwest of Denver. Topographically, the land in the County may be characterized as varied, since it includes territory from the westernmost portion of the Great Plains to the Continental Divide of the Rocky Mountains. The climate is mild with warm summers, moderate winters and an average growing season of 150 days.

Administration

The County is a political subdivision organized under the statutes of the State. The County is governed by the Board of County Commissioners, which consists of three members. Each member of the Board is elected at large by the voters of the County and is required to reside in the district for which he or she is elected. The current Board members are:

<u>Name</u>	<u>Term Expires</u>
Deb Gardner, Chair	January 2021
Matt Jones, Vice Chair	January 2023
Elise Jones, Commissioner	January 2021

Other elected County officials include the following persons:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Cynthia Braddock	Assessor	January 2023
Molly Fitzpatrick	Clerk and Recorder	January 2023
Emma Hall	Coroner	January 2023
Michael Dougherty	District Attorney	January 2021
Joe Pelle	Sheriff	January 2023
Lee Stadele	Surveyor	January 2023
Paul Weissmann	Treasurer	January 2023

The County Attorney and department directors are appointed by the Board.

Services

The County provides a wide range of services to its residents including public safety, highways and streets, parks, health and social services, public improvements, planning, zoning and general administration. Water, sanitation, police, fire, utilities, schools and recreation services are provided to County residents by a variety of public and private entities depending upon property location.

Employee Relations

Approximately 2,558 employees currently work in six County departments and offices of elected officials. Employees are not represented by a bargaining unit, but there is an employee association. Management believes that its relationship with County employees is good.

Retirement System

Effective April 1, 2004, the County established membership with the Colorado Public Employees' Retirement Association ("PERA"), and withdrew from the Boulder County Retirement Savings Trust which had been established in 1985. Under PERA the County contributes to the Local Government Division Trust Fund ("LGDTF"), a cost-sharing multiple-employer defined benefit pension plan administered by PERA. The LGDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the County are members of the LGDTF. Employees and the County are required to contribute to the LGDTF 8.5% and 14.2% of an employee's includable compensation, respectively, in 2015.

The District Attorney and employees in the District Attorney's office are members of PERA's State Division. Employees and the County are required to contribute to the State Division 10.0% and 20.9% of an employee's includable compensation, respectively, in 2015.

Starting in 2015, the County is required to report pension liabilities and expense per GASB 68. Per this reporting model, the employer contributions recognized by the LGDTF from the County were \$16,134,807; pension expense was \$16,592,854; and a pension liability of \$243,528,952.

Self-Insurance

Property and Casualty. On May 1, 1985, the County began a program of self-insurance, covering among other items, buildings, automobiles and general liability of the County. Under the current program the County is responsible for a retention of \$500,000 for each casualty and liability occurrence (including employment related claims) and \$100,000 for each property occurrence. Liability in excess of the retention level is insured to \$20,000,000 (defense costs are included in the retention determination, but are then covered outside the policy liability limit) by the Insurance Company of the State of Pennsylvania. County buildings are insured for their total replacement cost under a policy issued by Affiliated FM. Under the self-insurance program, moneys are appropriated from general revenues and set aside to pay claims. Until utilized to pay claims, these moneys are invested under the direction of the County Treasurer in short-term securities.

Risk Management. The County maintains a limited self-insurance program in an internal service fund. The program is made up of a self-funded medical and dental plan which began in 1983, a workers' compensation plan which began in 1990, and a property/casualty plan which began in 1985. The County assumes the risk for the first \$350,000 for each medical claim, the first \$500,000 for each workers' compensation occurrence, the first \$100,000 for each property occurrence and the first \$500,000

for each liability occurrence (including employment liability claims). Third party insurance is purchased to protect the County above these amounts. In addition, the County carries a crime policy with a \$25,000 deductible, and a boiler and machinery policy with a \$10,000 deductible. Settlements have not exceeded insurance coverage in any of the past three years. Medical and dental claims are processed by Connecticut General Life Insurance Company (“CIGNA”) under an administrative services only agreement. The property/casualty and worker’s compensation plans are completely self-administered. The primary source of funding for these programs is property taxes. Resources to pay potential claims are accumulated in an internal service fund. Various risk control techniques have been implemented to minimize losses. These techniques include employee training in the areas of accident prevention, supervision, ergonomics, cultural diversity and sexual harassment.

Workers’ Compensation. Workers’ compensation has been self-insured by the County.

Health Insurance. Health insurance is also self-insured. The County carries stop loss insurance through CIGNA to protect it from individual claims over \$350,000.

FINANCIAL INFORMATION CONCERNING THE COUNTY

Property Taxes

Property Subject to Taxation. Property taxes are uniformly levied against the assessed valuation of all property subject to taxation by the County. Both real and personal property are subject to taxation, but there are certain classes of property which are exempt. Exempt property includes, but is not limited to: property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; property used for charitable or religious purposes; nonprofit cemeteries; irrigation ditches, canals, and flumes used exclusively to irrigate the owner’s land; household furnishings and personal effects not used to produce income; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; and works of art, literary materials and artifacts on loan to a political subdivision, gallery or museum operated by a charitable organization. The Colorado Division of Property Taxation and the Department of Local Affairs supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes.

Assessment of Property. Taxable property is first appraised by the County’s assessor (the “**County Assessor**”) to determine its statutory “actual” value. This amount is then multiplied by the appropriate assessment percentage to determine each property’s assessed value. The mill levy of each taxing entity is then multiplied by this assessed value to determine the amount of property tax levied upon such property by such taxing entity. Each of these steps in the taxation process is explained in more detail below.

Determination of Statutory Actual Value. The County Assessor annually determines, on the basis of statutorily specified approaches, the statutory “actual” value of all taxable property within the County as of January 1. Most property is valued using a market approach, a cost approach or an income approach. Residential property is valued using the market approach, and agricultural property, exclusive of building improvements thereon, is valued by considering the earning or productive capacity of such lands during a reasonable period of time, capitalized at a statutory rate.

The statutory actual value of a property is not intended to represent its current market value, but, with certain exceptions, is determined by the County Assessor utilizing a “level of value” ascertained for each two-year reassessment cycle from manuals and associated data published by the State Property Tax Administrator for the statutorily-defined period preceding the assessment date. Real

property is reappraised by the County Assessor’s office every odd numbered year. The statutory actual value is based on the “level of value” for the period one and one-half years immediately prior to the July 1 preceding the beginning of the two-year reassessment cycle (adjusted to the final day of the data-gathering period). For example, values for levy year 2018 (collection year 2019) were based on an analysis of sales and other information for the period January 1, 2015 to June 30, 2016. The following table sets forth the State Property Appraisal System for property tax levy years 2015 through 2019:

Collection Year	Levy Year	Value Calculated As Of	Based on the Market Period
2016	2015	July 1, 2014	Jan. 1, 2013 to June 30, 2014
2017	2016	July 1, 2014	Jan. 1, 2013 to June 30, 2014
2018	2017	July 1, 2016	Jan. 1, 2015 to June 30, 2016
2019	2018	July 1, 2016	Jan. 1, 2015 to June 30, 2016
2020	2019	July 1, 2018	Jan. 1, 2017 to June 30, 2018

The County Assessor may consider market sales from more than one and one-half years immediately prior to July 1 if there were insufficient sales during the stated market period to accurately determine the level of value.

Oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals are valued based on production levels rather than by the base year method. Public utilities are valued by the State Property Tax Administrator based upon the value of the utility’s tangible property and intangibles (subject to certain statutory adjustments), gross and net operating revenues and the average market value of its outstanding securities during the prior calendar year.

Determination of Assessed Value. Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated by the County Assessor as a percentage of statutory actual value. The percentage used to calculate assessed valuation differs depending upon the classification of each property.

Residential Property. To avoid extraordinary increases in residential real property taxes when the base year level of value is changed, the State constitution requires the Colorado General Assembly to adjust the assessment rate of residential property for each year in which a change in the base year level of value occurs. This adjustment is constitutionally mandated to maintain the same percentage of the aggregate statewide valuation for assessment attributable to residential property which existed in the previous year (although, notwithstanding the foregoing, TABOR prohibits any valuation for assessment ratio increase for a property class without prior voter approval).

Pursuant to the Gallagher Amendment process described above, the residential assessment rate is adjusted every two years, resulting in the following history of residential assessment rates since levy year 1989: 15.00% of statutory actual value (levy years 1989-90); 14.34% of statutory actual value (levy years 1991-92); 12.86% of statutory actual value (levy years 1993-94); 10.36% of statutory actual value (levy years 1995-96); 9.74% of statutory actual value (levy years 1997-98 and 1999-2000); 9.15% of statutory actual value (levy years 2001-02); and 7.96% of statutory actual value (levy years 2003-16); 7.20% of statutory actual value (levy years 2017-18); and 7.15% of statutory actual value (levy years 2019-20). The residential assessment rate cannot increase without the approval of Colorado voters.

Non-Residential Property. All non-residential taxable property (including the commercial property in the District), with certain specified exceptions, is assessed at 29% of its statutory actual value. Producing oil and gas property is generally assessed at 87.5% of the selling price of the oil and gas.

Protests, Appeals, Abatements and Refunds. Property owners are notified of the valuation of their land or improvements, or taxable personal property, in accordance with statutory deadlines. Property owners are given the opportunity to object to increases in the statutory actual value of such property, and may petition for a hearing thereon before the County Board of Equalization. Upon the conclusion of such hearings, the County Assessor is required to complete the assessment roll of all taxable property and, no later than August 25th each year, prepare an abstract of assessment therefrom. The abstract of assessment and certain other required information is reviewed by the State Property Tax Administrator and, if necessary, the State Board of Equalization orders the County Assessor to correct assessments. The valuation of property is subject to further review during various stages of the assessment appeals process at the request of the property owner, by the State Board of Assessment Appeals, the State courts or by arbitrators appointed by the Board. On the report of an erroneous assessment, an abatement or refund must be authorized by the Board of County Commissioners, the State Board of Assessment Appeals, or the appellate courts; however, in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year in which the taxes were levied. Refunds or abatements of taxes are prorated among all taxing entities which levied a tax against the property.

Statewide Review. The Colorado General Assembly is required to cause a valuation for assessment study to be conducted each year in order to ascertain whether or not county assessors statewide have complied with constitutional and statutory provisions in determining statutory actual values and assessed valuations for that year. The final study, including findings and conclusions, must be submitted to the Colorado General Assembly and the State Board of Equalization by September 15th of the year in which the study is conducted. Subsequently, the Board of Equalization may order a county to conduct reappraisals and revaluations during the following property tax levy year. Accordingly, the County's assessed valuation may be subject to modification following any such annual assessment study.

Taxation Procedure. The County Assessor is required to certify to the County the assessed valuation of property subject to the County's mill levy no later than December 10th of each year. Subject to the limitations of TABOR, based upon the valuation certified by the County Assessor, the Board of County Commissioners computes a rate of levy which, when levied upon every dollar of the valuation for assessment of property subject to the County's property tax, and together with other legally available County revenues, will raise the amount required by the County in its upcoming fiscal year. The Board of County Commissioners subsequently adopts its annual budget and appropriations resolutions and certifies the rate of levy sufficient to produce the needed funds. Such certification must be made no later than December 15th of the property tax levy year for collection of taxes in the ensuing year. The property tax rate is expressed as a mill levy, which is the rate equivalent to the amount of tax per one thousand dollars of assessed valuation. For example, a mill levy of 25 mills would impose a \$250 tax on a parcel of property with an assessed valuation of \$10,000.

The Board levies the tax on all property subject to taxation by the County. By December 22nd of each year, the Board must certify to the County Assessor the levy for all taxing entities within the County. If the Board fails to so certify, it is the duty of the County Assessor to extend the levies of the previous year. Further revisions to the assessed valuation of property may occur prior to the final step in the taxing procedure, which is the delivery by the County Assessor of the tax list and warrant to the County's treasurer (the "**County Treasurer**").

Adjustment of Taxes to Comply with Certain Limitations. Section 29-1-301, C.R.S., contains a statutory restriction limiting the property tax revenues which may be levied for operational purposes to an amount not to exceed the amount of such revenue levied in the prior year plus 5.5% (subject to certain statutorily authorized adjustments).

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in December 2019 are being collected in 2020. Taxes are due on January 1st in the year of collection; however, such taxes and special assessments may be paid in either one installment (not later than the last day of April) or in two equal installments (not later than the last day of February and June 15th) without interest or penalty. Interest accrues on unpaid first installments at the rate of 1% per month from March 1 until the date of payment unless the whole amount is paid by April 30. If the second installment is not paid by June 15, the unpaid installment will bear interest at the rate of 1% per month from June 16 until the date of payment. Notwithstanding the foregoing, if the full amount of taxes is to be paid in a single payment after the last day of April and is not so paid, the unpaid taxes will bear penalty interest at the rate of 1% per month accruing from the first day of May until the date of payment. The County Treasurer collects current and delinquent property taxes, as well as any interest or penalty, and after deducting a statutory fee for such collection, remits the balance to the County on a monthly basis. The payments to the County must be made by the tenth of each month, and shall include all taxes collected through the end of the preceding month

All taxes levied on property, together with interest thereon and penalties for default, as well as all other costs of collection, constitute a perpetual lien on and against the property taxed from January 1st of the property tax levy year until paid. Such lien is on a parity with the tax liens of other general taxes. It is the County Treasurer's duty to enforce the collection of delinquent real property taxes by tax sale of the tax lien on such realty. Delinquent personal property taxes are enforceable by distraint, seizure, and sale of the taxpayer's personal property. Tax sales of tax liens on realty are held on or before the second Monday in December of the collection year, preceded by a notice of delinquency to the taxpayer and a minimum of four weeks of public notice of the impending public sale. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale. There can be no assurance that the proceeds of tax liens sold, in the event of sale by the County Treasurer, would be sufficient to produce the amount required with respect to property taxes levied by the County and property taxes levied by overlapping taxing entities, as well as any interest or costs due thereon. Further, there can be no assurance that the tax liens will be bid on and sold. If the tax liens are not sold, the County Treasurer strikes the property from the tax rolls, delivers to the Board of County Commissioners a Treasurer's deed conveying title to the property to the County, the county lists the property for sale, and delinquent taxes are payable when the property is sold or redeemed. When any real property has been stricken off to the County and there has been no subsequent purchase, the taxes on such property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and they may be canceled by the Board after that time.

Potential for Overlap with Tax Increment Authorities. Colorado law allows the formation of public highway authorities. Pursuant to statute, the board of directors of a public highway authority is entitled to designate areas within the authority's boundaries as "value capture areas" to facilitate the financing, construction, operation or maintenance of highways constructed by the authority; an authority is entitled to capture a portion of the property taxes in such an area to support these purposes. No public highway authority currently exists within the County. If an authority were to be formed and a value capture area implemented in the future, it is impossible to predict the terms of the plan, including whether it would negatively impact the County's property tax revenues.

Similarly, the State law allows the formation of urban renewal authorities and downtown development authorities in areas which have been designated by the governing bodies of municipalities as blighted areas. Certain of the property within the County is included within the boundaries of such authorities. With respect to the property included in the boundaries of an urban renewal authority or downtown development authority in the future and subject to a renewal plan, the assessed valuation of such property that is taxable does not increase beyond the amount existing in the year prior to the adoption of the plan (other than by means of the general reassessment). Any increase above the "base" amount is paid to the applicable authority.

Historical Property Tax Data

Set forth on the following pages is certain historical information concerning assessed valuation and a listing of the ten largest property taxpayers of the County.

Table No. 3

Boulder County
Assessed and Estimated Actual Value of Taxable Property
(Assessment Years 2009-2018)

Assessment Year	Collection Year	Assessed Value ⁽¹⁾	Estimated Actual Value	Percentage of Total Assessed to Total Estimated Actual Value
2009	2010	\$5,827,328,440	\$48,748,822,435	11.95%
2010	2011	5,796,222,398	48,894,789,228	11.85
2011	2012	5,615,962,629	47,589,782,956	11.80
2012	2013	5,629,065,611	47,778,931,669	11.78
2013	2014	5,733,962,685	50,169,989,311	11.43
2014	2015	5,796,892,249	50,552,396,760	11.46
2015	2016	6,881,534,694	60,079,779,635	11.45
2016	2017	6,899,007,715	60,596,381,008	11.39
2017	2018	7,916,640,686	72,536,530,214	10.91
2018	2019	7,935,549,367	73,210,873,678	10.83

(1) Assessed values in this Table include tax increment financing districts. This figure represents the gross total assessed value.

Sources: County's 2018 Comprehensive Annual Financial Report; County Assessor's Office and County Office of Financial Management.

Table No. 4

Boulder County
Assessed Valuation of Classes of Property
(Assessment Years 2014-2018)

	<u>2014</u>	Percent of Total Assessed Valuation	<u>2015</u>	Percent of Total Assessed Valuation	<u>2016</u>	Percent of Total Assessed Valuation	<u>2017</u>	Percent of Total Assessed Valuation	<u>2018</u>	Percent of Total Assessed Valuation
Residential Property	\$3,249,031,847	56.05%	\$3,915,304,744	56.90%	\$3,955,440,948	57.33%	\$4,410,456,649	55.71%	\$4,474,074,087	56.38%
Commercial Property	1,553,690,462	26.80	1,915,140,841	27.82	1,903,777,254	27.59	2,338,896,078	29.54	2,336,761,972	29.45
Industrial Property	329,721,769	5.69	383,730,894	5.57	370,478,646	5.37	459,003,731	5.80	449,394,800	5.66
Agricultural Property	15,608,244	0.27	16,877,769	.25	17,122,570	0.25	17,238,365	0.22	17,428,467	0.22
Natural Resources ⁽¹⁾	40,593,535	0.70	34,821,651	.51	21,901,624	0.32	26,336,846	0.33	32,463,559	0.41
Personal Property	<u>608,246,392</u>	<u>10.49</u>	<u>615,658,795</u>	<u>8.95</u>	<u>630,286,673</u>	<u>9.14</u>	<u>664,709,017</u>	<u>8.40</u>	<u>625,426,482</u>	<u>7.88</u>
TOTAL ⁽²⁾	\$5,796,892,249	100.00%	\$6,881,534,694	100.00%	\$6,899,007,715	100.00%	\$7,916,640,686	100.00%	\$7,935,551,385	100.00%

(1) Includes oil and gas and utilities.

(2) Total taxable assessed value.

Sources: County's 2018 Comprehensive Annual Financial Report for years 2014-2018; County Finance and Assessor Departments.

Table No. 5

Boulder County
Property Tax Levies and Collections
(Collection Years 2009-2018)

Collection Year	Total Tax Levy ⁽¹⁾	Current Tax Collections	Percent of Levy Collected	Prior Year Taxes Collected ⁽²⁾	Total Taxes Collected	Percent of Total Tax Collections to Current Tax Levy
2009	\$128,991,481	\$128,705,806	99.78%	\$166,367	\$128,872,173	99.40%
2010	137,153,118	136,928,709	99.84	134,667	137,063,376	99.64
2011	142,316,052	142,129,370	99.70	78,109	142,207,479	99.75
2012	138,698,469	137,333,016	99.46	54,499	137,387,515	99.49
2013	138,433,177	137,600,832	99.40	240,447	137,841,279	99.57
2014	143,537,446	143,058,771	99.67	204,826	143,263,597	99.98
2015	143,254,180	142,666,640	99.59	741,166	143,407,806	99.59
2016	155,177,134	153,409,660	98.86	181,845	153,591,505	98.86
2017	166,017,722	164,425,516	99.04	--	164,425,516	99.04
2018	178,590,811	177,164,605	99.20	--	177,164,605	99.20

- (1) Total Tax Levy does not include amounts levied within urban renewal or downtown development tax increment financing districts.
- (2) Property tax levies are net of abatements, omitted amounts from prior fiscal years, and other adjustments. This allows more meaningful comparison with the amounts collected to date as provided by the Treasurer, which include abated/omitted/adjusted amounts for the relevant year.
- (3) Generally, fluctuations in Prior Years' Taxes amounts from year to year are due to the method of updating data. Prior Years' Taxes are for previous six years. The Treasurer's office reports all taxes collected for previous years as "Prior Year's Taxes." The unpaid prior year's balance is updated each year; all unpaid tax balances over six years old are deleted and the previous year's uncollected taxes are added.

Source: County's 2018 Comprehensive Annual Financial Report; County Treasurer.

Table No. 6

Boulder County's
Principal Property Taxpayers
(As of December 31, 2019)

Taxpayer	Type of Business	Taxpayer's 2019 Assessed Valuation	Taxpayer's Percentage of Total Assessed Valuation ⁽¹⁾
Xcel	Energy utility	\$111,825,100	1.4%
IBM Corporation	Software development and computer systems	49,630,889	0.6
GPIF Flatiron Business Park LLC	Property management and development	44,886,509	0.6
Ball Corporation	Research and development	35,536,379	0.4
Charlotte Ball Seymour Children's Trust	Property management and development	30,981,616	0.4
Qwest Corporation	Telecommunications research and development	26,512,400	0.3
Tebo Stephen D	Property management and development	26,434,295	0.3
Ten Eleven Pearl LLC	Property management and development	24,574,093	0.3
Western Office Portfolio Property Owner	Property management and development	24,363,480	0.3
Macerich Twenty Ninth Street LLC	Property management and development	<u>23,752,085</u>	<u>0.3</u>
	TOTALS:	\$398,496,846	4.9%

(1) Based on a 2019 certified net total assessed valuation of \$7,935,549,367 which does not include assessed valuation in tax increment financing areas.

Source: Boulder County Assessor's Office.

Five-Year History of General Fund

General. Although the Base Rentals and the Additional Rentals are payable from any legally available funds of the County, the County expects to pay Base Rentals and Additional Rentals due under the Lease from certain unrestricted amounts in its General Fund. The unrestricted moneys in the General Fund that are legally available to pay Base Rentals for the Series 2020A Certificates are currently pledged, together with other funds, as security for the County's (a) Energy Conservation Capital Improvement Trust Bonds, Series 2010A (the "Series 2010A Energy Conservation Bonds"), (b) Open Space Capital Improvement Trust Bonds, Series 2011A-B, (c) Open Space Capital Improvement Trust Fund Bonds, Refunding Series 2011C, (d) Open Space Capital Improvement Trust Fund Bonds, Refunding Series 2015, (e) Open Space Capital Improvement Trust Fund Bonds, Refunding Series 2016A, and (f) Open Space Capital Improvement Trust Fund Bonds, Refunding Series 2016B. See "DEBT AND OTHER FINANCIAL OBLIGATIONS OF THE COUNTY – Debt Administration." To date, no transfers from the General Fund have been made to pay debt service on any of the above-referenced bonds except the Series 2010 Energy Conservation Bonds which are payable primarily from transfers from the General Fund. The County is not prohibited from pledging the General Fund amounts in the future and thereby reducing the funds that are legally available for the County to appropriate to pay Base Rentals and Additional Rentals.

The County has no obligation to increase any County taxes for the purpose of ensuring the sufficiency of the General Fund to pay the principal of or interest on the Series 2020A Certificates or to make any transfer to the Certificate Fund.

General Fund. The County's General Fund is a statutorily authorized fund that has been created by the Board of County Commissioners of the County as the County's primary operating fund. In accounts for all financed resources of the general government, except those required to be accounted for

in another fund. The following table sets forth a comparative statement of the General Fund and may be instructive regarding the County's past practices and priorities but does not guarantee that such levels of discretionary deposits will continue in the future.

Table No. 7

Boulder County, Colorado
General Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years ended December 31, 2014-2018

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues:					
Property tax	\$114,933,193	\$112,874,169	\$121,127,895	\$127,826,700	\$138,042,486
Specific ownership tax	--	--	--	--	--
Sales tax	766,626	819,600	800,147	871,206	902,851
Use tax	112,319	204,299	148,204	137,821	188,097
Licenses, fees and permits	1,042,668	1,337,535	1,547,710	1,733,473	2,126,280
Investment and interest income	286,842	181,653	1,099,313	547,362	1,265,665
Intergovernmental	19,224,587 ⁽²⁾	15,155,800	23,818,177	15,739,086	9,239,973
Charges for services	13,208,533	13,757,354	14,612,022	15,101,613	14,885,908
Fines and forfeitures	775,749	776,645	669,983	703,831	602,825
Other revenue	<u>3,600,344</u>	<u>3,934,306</u>	<u>4,186,982</u>	<u>4,908,068</u>	<u>4,111,098</u>
Total revenue	<u>\$153,950,861</u>	<u>\$149,041,361</u>	<u>\$168,010,433</u>	<u>\$167,569,160</u>	<u>\$171,365,183</u>
Expenditures:					
Current:					
General government	54,896,187	53,314,268	55,361,331	56,388,528	65,251,349
Conservation	23,741,866 ⁽³⁾	19,430,724	21,167,632	23,951,357	19,444,134
Public safety	47,208,755	49,555,900	52,509,001	56,104,162	58,398,884
Health and welfare	10,185,254	9,951,015	10,655,248	11,710,339	11,841,604
Economic opportunity	470,344	455,883	531,440	509,778	370,122
Highways and streets	8,417,542 ⁽⁴⁾	4,667,867	5,110,900	5,024,734	5,404,317
Urban redevelopment/ housing	<u>708,150</u>	<u>594,033</u>	<u>1,876,801</u>	<u>83,925</u>	<u>--</u>
Total expenditures	<u>\$145,628,098</u>	<u>\$137,969,690</u>	<u>\$147,212,353</u>	<u>\$153,772,823</u>	<u>\$160,710,410</u>
Excess (deficiency) of revenues over expenditures:	<u>8,322,763</u>	<u>11,071,671</u>	<u>20,798,080</u>	<u>13,796,337</u>	<u>10,654,773</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	4,034,350	229,400	210,454	389,973	40,775
Intergovernmental loans repaid	82,468	--	16,920	181,440	3,722
Debt Issuance	--	39,555,000	--	--	--
Premium on debt issuance	--	5,767,451	--	--	--
Transfers in	389,636	825,199	397,865	628,399	2,826,505
Transfers out	<u>(41,117,243)⁽⁵⁾</u>	<u>(11,466,880)</u>	<u>(12,574,252)</u>	<u>(25,268,769)</u>	<u>(38,516,662)</u>
Total other financing sources (uses)	<u>(36,426,001)</u>	<u>34,910,170</u>	<u>(11,949,013)</u>	<u>(24,068,957)</u>	<u>(35,645,660)</u>
Net change to fund balance	(28,103,238)	45,981,841	8,849,067	(10,272,620)	(24,990,887)
Fund balance, January 1	<u>60,211,497</u>	<u>32,108,259</u>	<u>78,090,100</u>	<u>86,939,167</u>	<u>76,666,547</u>
Prior period adjustment	--	--	--	--	--
Fund balance, December 31	<u>\$32,108,259</u>	<u>\$78,090,100</u>	<u>\$86,939,167</u>	<u>\$76,666,547</u>	<u>\$51,659,019</u>

[Footnotes on following page]

- 1) Significant increase attributable primarily to \$14.2 million of federal and local flood related grants deposited in General Fund.
- (2) Approximately \$5.2 million of this increase was attributable to flood response and repair activities.
- (3) Significant increase primarily attributable to (a) reallocation of existing costs between County departments, and (b) expenses associated with flood repair costs.
- (4) Includes a transfer to the County's Road and Bridge Fund of \$29.9 million, of which \$28.9 million was to fund flood recovery projects that occurred in that fund during 2014.

Source: County Comprehensive Annual Financial Reports for years 2014-2018; County Office of Financial Management.

Management's Discussion and Analysis of Results of Operations

An overview and analysis of the County's recent financial activities is provided under "FINANCIAL SECTION – Management's Discussion and Analysis" in APPENDIX A.

General. The General Fund, at \$206.8 million, is the largest fund in the County's 2020 budget of \$440.0 million. Its primary funding sources are as follows:

Table No. 8

Property tax	80.79%
Other Revenues ⁽¹⁾	11.54
Intergovernmental Revenues	6.87
Use of fund balance	<u>.80</u>
TOTAL	100.00%

- (1) Includes specific ownership tax, motor vehicle fees and filing fees, Treasurer's fees, building permits, interest earnings, various other fees, rents and charges for services.

The County has achieved an average property tax collection rate of 99.45% over the past 10 years, with only a 0.98% spread between the lowest and highest years. (See table above entitled "Boulder County Property Tax Levies and Collections.") This demonstrates a very stable economy in which businesses and residents have the resources to pay the property taxes levied. Revenues other than property tax have also been stable, with gains generally more than offsetting reductions.

The Board has a written policy relating to the maintenance of emergency reserves and fund balances in designated County funds in order to ensure adequate sources for future operations and provide stability and fiscal health for the County. A copy of such written policy is available upon request from the County Office of Financial Management.

Impact of COVID-19. With respect to the impact of COVID-19, the County is considering all economic information available at this time and is currently planning for a sharp economic downturn both in fiscal years 2020 and 2021. The County will continue to monitor the quarterly economic trend data to plan for shifts throughout the budget process. The Office of Financial Management team has been looking at historical revenue data to determine the effects that the 2008 recession had on revenue trends and specifically which taxes and fees took the sharpest declines. In that analysis, the County found that those revenue sources took a 19.5% decline in 2009 and slowly recovered thereafter. The initial impacts were seen in funds classified in the County's "other revenue" category and then in the "intergovernmental revenue" category.

In forecasting General Fund revenue, the County is taking into account all revenue streams with the understanding that any portion that potentially sees a decrease will call for the extended usage of the General Fund. The County is currently analyzing up to a 20% reduction in 2020 forecasted sales and use tax revenues due to the current pandemic and a carryover into fiscal year 2021.

Colorado statute (C.R.S. 29-1-301) limits the increase in property tax generated revenues for “General Operations” to no greater than 5.5% regardless of the rise in assessed value that we have seen in recent years. In 2021 the County will be collecting an additional 5.5% in property tax based upon this prior year assessment as the County is in a non-appraisal year. The County will also collect property tax revenue upon new construction. It is unknown what effects the COVID-19 pandemic may have upon the housing market. Despite the County’s ability to collect the 5.5% in 2021, the County is preparing for a potential decrease in property values which would be realized in 2022 revenue collections.

Budgetary Process

The County’s budget is prepared on a calendar year basis as required by State statute. The budget must present a complete financial plan for the County, setting forth all proposed expenditures, anticipated revenues, estimated beginning and ending fund balances and other funding for the ensuing budget year, together with the corresponding actual figures for the prior fiscal year and estimated figures projected through the end of the current fiscal year. In estimating the anticipated revenues, consideration must be given to any unexpended surpluses and the historical percentage of tax collections. Further, the budget is required to contain a written budget message describing the important features of the proposed budget and explanatory schedules or statements classifying the expenditures by object and the revenues by source.

On or before October 15 of each year, a person appointed by the Board to prepare the budget is required to submit such proposed budget to the Board for the next fiscal year. Upon receipt of the proposed budget, the Board is to cause a notice to be published stating, among other things, that the proposed budget is available for inspection by the public, the date and time of the hearing at which the proposed budget will be considered for adoption and that interested electors of the County may file or register any objections to the proposed budget prior to its final adoption. State law requires that the County adopt a budget before the certification of its mill levy and file a certified copy of its budget with the State Division of Local Government within 30 days following the beginning of the fiscal year of the budget adopted. Failure to do so may result in the withholding of the County’s property tax revenues by the County Treasurer until such time as the County complies with this requirement.

Before the mill levy is certified, the Board must adopt an appropriation resolution that conforms to the budget. The income of the County is required to be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution. County expenditures may not exceed the amounts appropriated, except in the case of an emergency which could not have been reasonably foreseen at the time the budget was adopted. Under such circumstance, the Board may authorize the expenditure of available funds in excess of the appropriation by a resolution duly adopted by a majority vote of the Board following proper notice. Subject to certain limitations in the State Constitution including those described under the caption “LEGAL MATTERS – Certain Constitutional Limitations” if the County receives revenues that were unanticipated or unassured at the time of adoption of the budget from any source other than the County’s property tax mill levy, the Board may authorize the expenditure thereof by adopting a supplemental budget and appropriation resolution after proper notice and a hearing thereon. The transfer of budgeted and appropriated moneys within a fund or between funds may be done only in accordance with State law.

Limitation on Annual Property Tax Levy. Subject to certain exceptions and exclusions, State law restricts the County’s ability to increase property tax revenues. State law provides that in determining the annual tax levy, all statutory tax levies, when applied to the total assessed valuation for the County, must be reduced so as to prohibit the levying of a greater amount of revenue than was levied in the preceding year plus 5.5%. Such exceptions include, but are not limited to, providing for the payment of debt service on County general obligation bonds and the payment of any other contractual obligation which has been approved by a majority of the registered electors of the County. In computing the limit on the annual tax levy the following matters, among others, are excluded: increased valuation for assessment attributable to annexation or inclusion of additional land or due to new construction and, in certain instances, increased valuation due to certain increases in the volume of a producing mine and the increased valuation attributable to previously exempt federal property which becomes taxable. If the limitation is exceeded in any given year, the State Division of Local Government orders a reduction in the authorized revenue of the County for the subsequent year in an amount which offsets the excess revenues levied in the preceding year.

State law further provides that if the Board believes that the tax levy afforded by the provision described above is insufficient for the County’s needs, the Board may submit the question of an increased levy to the registered electors of the County at a general election.

A State constitutional amendment imposes other limitations on the County’s annual property tax levy. See “LEGAL MATTERS – Certain Constitutional Limitations.” In response to an inquiry from the Executive Director of the State Department of Local Affairs as to the effect of that amendment on existing restrictions on levies and assessments of local governments, the State Attorney General issued an opinion dated August 27, 1993, stating that the foregoing statutory limitations are not superseded by that amendment and remain in effect to the extent that they result in more restrictive increases in such levies and assessments.

Capital Improvement Plans

The County’s 2020 budget provides for capital expenditures across various funds, including funding for upgrades to the Boulder County Jail in the amount of \$4.5 million and capital items totaling \$2.1 million for replacement equipment items at the County Recycling Center. Capital outlay appropriations include \$3.6 million of funding for the implementation of a new Sheriff’s software system and \$1.2 million for vehicle replacements to keep the County’s fleet current, in good condition, and to minimize related maintenance costs. The County will also continue the installation of electric vehicle charging infrastructure at County facilities.

The 2020 budget reflects the seventh full year of recovery work from a major flood that occurred in the County in 2013. The total flood recovery budget is \$19.1 million across all County funds, representing a decrease of \$9 million from the 2019 budget. The Board also approved extensions for those existing term full-time employees who continue to perform duties primarily related to flood recovery efforts. In addition to funding for flood recovery repairs, the Road & Bridge Fund budget contains \$7.9 million for the maintenance and rehabilitation of County roads and bridges as well as \$5.2 million for dedicated transportation sales tax projects.

The County has also budgeted \$6.7 million to fund sustainability projects to be funded by the new sales and use tax revenue stream approved by County voters.

Authority to Incur Financial Obligations

State law provides that the County is authorized to issue or incur tax anticipation notes, bond anticipation notes, general obligation bonds, sales and use tax revenue bonds, water and sewer revenue bonds, special assessment bonds, revenue anticipation warrants, lease-purchase obligations and other securities permitted by State law. The State Constitution requires prior voter approval of any multiple-fiscal year direct or indirect debt or other financial obligation, subject to certain exceptions. See “LEGAL MATTERS – Certain Constitutional Limitations.”

Financial Reporting and Budget Awards

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended December 31, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of the state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial Report, whose contents conform to program standards. Such comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County has received a Certificate of Achievement for the last 29 consecutive years (fiscal years ended 1990-2017). The County will apply for the 2018 GFOA award.

The GFOA also awarded the Distinguished Budget Presentation Award to the County for its 2019 Budget Book. The County has received this award in 24 previous years. The award is valid for one year.

The Distinguished Budget Presentation Award is the highest form of recognition in governmental budgeting. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

DEBT AND OTHER FINANCIAL OBLIGATIONS OF THE COUNTY

General Obligation Debt

The Board has the power to contract indebtedness on behalf of the County by borrowing money or issuing bonds to carry out the objectives or purposes of the County. Debt may be incurred only by resolution which is irrevocable until such indebtedness has been fully paid. The resolutions also must specify the use of the funds and provide for the levy of a tax which, together with other legally available funds and revenues of the County, will be sufficient to pay the principal of and interest on such debt when due. Although the County may refund existing debt at a lower interest rate without an election, no new debt may be created unless the question of incurring the indebtedness and a maximum net effective interest rate therefor has been submitted to and approved by a majority of the registered electors of the County voting at an election held for that purpose. See “LEGAL MATTERS – Certain Constitutional Limits.”

Debt Administration

The following table describes the long-term borrowing structure of the County.

Table No. 9

Combined Statement of Debt
January 31, 2020⁽¹⁾⁽²⁾

<u>Issue</u>	<u>Amount Outstanding</u>
Energy Conservation Capital Improvement Trust Fund Bonds, Series 2010A	\$2,935,000
Open Space Capital Improvement Trust Fund Bonds, Series 2011A-B	5,860,000
Open Space Capital Improvement Trust Fund Bonds, Refunding Series 2011C	20,595,000
Open Space Capital Improvement Trust Fund Bonds, Refunding Series 2015	24,215,000
Open Space Capital Improvement Trust Fund Bonds, Refunding Series 2016A	7,870,000
Open Space Capital Improvement Trust Fund Bonds, Refunding Series 2016B	<u>27,585,000</u>
Total	<u>\$89,660,000</u>

- (1) Does not include aggregate principal amount of Certificates of Participation (Health and Human Services Facilities), Series 2012; or \$24,730,000 aggregate principal amount of Certificates of Participation (Flood Reconstruction Projects), Series 2015, each evidencing undivided interests in the right to receive certain annually appropriated revenues payable by the County under a lease purchase obligation.
- (2) Does not include the Series 2020A Bonds.

Source: County Office of Financial Management.

Estimated Overlapping General Obligation Debt

Property owners in the County are responsible for any debt obligations of other taxing entities in the proportion to which the jurisdiction of such entities overlap the County. The table below sets forth the estimated overlapping debt of governmental entities in the County. Although the County has attempted to obtain accurate information as to the outstanding debt of such governmental entities, it does not warrant its completeness or accuracy as there is no central reporting entity which has this information available and the statistics are based on information supplied by others.

Table No. 10

Estimated Overlapping General Obligation Debt
As of December 31, 2019⁽¹⁾⁽²⁾

Name of Overlapping Entity ⁽¹⁾	Outstanding General Obligation Long-Term Debt	Percent Applicable to County ⁽¹⁾	Amount Applicable to County
School Districts	\$1,530,735,000	63.30%	\$968,894,918
Cities and Towns	62,795,000	97.53	61,243,964
Fire Protection Districts	19,923,514	31.14	6,204,010
Water and Sanitation Districts	2,957,638	100.00	2,957,638
Other Special Districts	<u>68,828,258</u>	<u>75.72</u>	<u>52,119,258</u>
Total Overlapping Debt:	\$1,685,239,410	64.76%	\$1,091,419,788

(1) Portion of debt applicable to the County is determined by the ratio of the assessed value of the portion of the applicable district located within the County to the total assessed value of the applicable taxing district.

Sources: County's 2018 Comprehensive Annual Financial Report; County Office of Financial Management.

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in and surrounding the County. It is intended only to provide prospective investors with general information regarding the County'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. *In particular, it is important to note that the information available in this section as of the date hereof predates the COVID-19 outbreak. Certain information in this section, such as employment figures, has changed materially since March 1, 2020; however, the information in this section represents the most currently available data as of the date hereof. See "RISK FACTORS – Certain Risks Associated with COVID-19."*

Population and Age Distribution

Population. The following table sets forth population statistics for the County, the Denver-Aurora Combined Statistical Area (“Denver-Aurora CSA”) and the State of Colorado. The Denver-Aurora CSA is comprised of 12 adjacent counties which are included within the Denver-Aurora Metropolitan Statistical Area (“MSA”), the Boulder MSA, and the Greeley MSA. The counties included are Adams, Arapahoe, Boulder, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park, and Weld.

Table No. 11

Population						
Year	Boulder County	Percent Change	Denver-Aurora CSA	Percent Change	Colorado	Percent Change
1970	131,889	--	1,339,749	--	2,209,596	--
1980	189,625	43.8%	1,763,833	31.7%	2,889,735	30.8%
1990	225,339	18.8	2,007,649	13.8	3,294,394	14.0
2000	269,814	19.7	2,629,980	31.0	4,301,261	30.6
2010	294,567	9.2	3,090,874	17.5	5,029,196	16.9
2014	313,108	--	3,347,284	--	5,352,866	--
2015	319,009	1.9%	3,421,137	2.2%	5,454,707	1.9%
2016	322,285	1.0	3,478,332	1.7	5,542,951	1.6
2017	323,467	0.4	3,525,057	1.3	5,616,567	1.3
2018	325,480	0.6	3,574,682	1.4	5,694,311	1.4

Sources: United States Department of Commerce, Bureau of Census (1970-2010), and Colorado State Demography Office (2014-2018 estimates).

Age Distribution. The following table sets forth a comparative age distribution profile for the County, Denver-Aurora CSA, the State and the United States as of January 1, 2020.

Table No. 12

Age Distribution Estimates – 2020				
Age	Boulder County	Denver-Aurora CSA	Colorado	United States
0-17	18.9%	22.4%	22.2%	22.3%
18-24	13.9	8.9	9.3	9.5
25-34	14.4	15.4	14.8	13.5
35-44	12.4	14.4	13.7	12.7
45-54	12.8	13.1	12.6	12.5
55-64	12.5	12.1	12.5	12.9
65-74	9.4	8.6	9.3	9.9
75 and Older	5.7	5.1	5.6	6.7

Sources: Copyright © 2020 by Environics Analytics (EA); @Claritas, LLC 2020.

Income Level

The following table sets forth annual per capita personal income levels for the County, Denver-Aurora CSA, the State, and the United States. Per capita personal income levels in the County have consistently exceeded levels in the Denver-Aurora CSA, the State and the United States during the period shown.

Table No. 13

Annual Per Capita Personal Income

<u>Year⁽¹⁾</u>	<u>Boulder County</u>	<u>Denver-Aurora CSA</u>	<u>Colorado</u>	<u>United States</u>
2014	\$60,367	\$54,968	\$50,700	\$47,058
2015	63,953	56,221	52,133	48,978
2016	64,875	56,269	52,262	49,870
2017	69,298	59,980	55,335	51,885
2018	73,394	63,524	58,456	54,446

(1) County and CSA figures posted November 2019; state and national figures posted September 2019. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

The following two tables reflect the Median Household Effective Buying Income (“EBI”), and also the percentage of households by EBI groups. EBI is defined as “money income” (defined below) less personal tax and nontax payments. “Money income” is defined as the aggregate of wages and salaries, net farm and nonfarm self-employment income, interest, dividends, net rental and royalty income, Social Security and railroad retirement income, other retirement and disability income, public assistance income, unemployment compensation, Veterans Administration payments, alimony and child support, military family allotments, net winnings from gambling, and other periodic income. Deductions are made for personal income taxes (federal, state and local), personal contributions to social insurance (Social Security and federal retirement payroll deductions), and taxes on owner-occupied nonbusiness real estate. The resulting figure is known as “disposable” or “after-tax” income.

Table No. 14

Median Household Effective Buying Income Estimates⁽¹⁾

<u>Year</u>	<u>Boulder County</u>	<u>Colorado</u>	<u>United States</u>
2016	\$61,768	\$52,345	\$46,738
2017	62,778	54,718	48,043
2018	64,682	57,732	50,620
2019	66,446	59,227	52,468
2020	72,749	62,340	54,686

(1) The difference between consecutive years is not an estimate of change from one year to the next; combinations of data are used each year to identify the estimated mean of income from which the median is computed.

Sources: © The Nielsen Company, *SiteReports*, 2016-2017; and Claritas, ©2018-2020 by Environics Analytics (EA).

Table No. 15

Percent of Households by Effective Buying Income Group – 2020 Estimates

Effective Buying Income Group	Boulder County Households	Denver-Aurora CSA Households	Colorado Households	United States Households
Under \$24,999	14.6%	13.3%	15.6%	20.2%
\$25,000 - 49,999	20.4	22.3	24.2	25.6
\$50,000 - 74,999	16.4	19.5	19.6	19.5
\$75,000 - 99,999	15.3	17.3	16.6	14.6
\$100,000 - 124,999	9.8	9.6	8.7	7.2
\$125,000 - 144,999	6.8	6.0	5.3	4.4
\$150,000 or More	16.7	12.0	10.0	8.5

Source: Copyright © 2020 by Environics Analytics (EA); @Claritas, LLC 2020.

Employment

The following table presents information on employment within the County, Denver-Aurora CSA, the State and the United States, for the time period indicated.

Table No. 16

Labor Force and Employment

Year	Boulder County ⁽¹⁾		Denver-Aurora- CSA ⁽¹⁾		Colorado ⁽¹⁾		United States
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Percent Unemployed
2014	176,233	4.1%	1,809,488	4.7%	2,802,528	5.0%	6.2%
2015	176,969	3.2	1,832,444	3.6	2,828,876	3.9	5.3
2016	181,034	2.6	1,874,288	3.0	2,896,771	3.2	4.9
2017	186,811	2.3	1,937,298	2.6	2,992,412	2.7	4.4
2018	193,822	2.8	2,005,454	3.1	3,096,358	3.3	3.9
<u>Month of December</u>							
2018	196,253	3.2%	2,024,466	3.6%	3,136,729	3.8%	3.9%
2019 ⁽²⁾	199,775	2.0	2,058,310	2.3	3,181,390	2.4	3.5

(1) Figures for the County, Denver-Aurora-Boulder CSA, and the State are not seasonally adjusted.

(2) Preliminary.

Sources: State of Colorado, Department of Labor and Employment, Labor Market Information, Colorado Areas Labor Force Data, and U.S. Department of Labor, Bureau of Statistics.

The following two tables set forth the average number of individuals employed within selected Boulder County industries and Denver-Aurora CSA industries which are covered by unemployment insurance. In 2018, the largest employment sector in the County was government (comprising approximately 15.8% of the county's work force), followed, in order, by professional and technical services; health care and social assistance; manufacturing; and accommodation and food services. For the twelve-month period ended December 31, 2018, total average employment in the County increased by 2.0% as compared to the same twelve-month period ending December 31, 2017; and total average weekly wages increased by 4.3% during the same time period.

Table No. 17

Average Number of Employees Within Selected Industries – Boulder County

Industry	2014	2015	2016	2017	2018	2019 ⁽¹⁾
Agriculture, Forestry, Fishing, Hunting	405	454	479	534	606	509
Mining	276	282	227	169	176	149
Utilities	220	231	226	214	180	228
Construction	4,661	5,015	5,202	5,493	5,645	5,707
Manufacturing	17,437	17,600	17,504	18,429	19,057	19,548
Wholesale Trade	5,559	5,645	6,105	6,288	6,513	6,676
Retail Trade	16,500	16,986	17,407	17,491	17,554	17,419
Transportation & Warehousing	1,326	1,379	1,364	1,291	1,364	1,387
Information	8,279	7,909	7,927	8,046	8,234	8,520
Finance & Insurance	4,867	4,344	4,027	4,066	4,030	4,121
Real Estate, Rental & Leasing	2,317	2,467	2,659	2,671	2,670	2,653
Professional & Technical Services	25,267	26,042	26,657	27,222	28,052	29,228
Management of Companies/Enterprises	1,078	1,067	1,206	1,443	1,566	1,521
Administrative & Waste Services	7,038	6,904	6,693	5,868	6,183	6,139
Educational Services	2,384	2,469	2,584	2,706	2,908	3,105
Health Care & Social Assistance	19,960	20,817	21,434	22,308	22,796	22,940
Arts, Entertainment & Recreation	2,963	3,020	3,180	3,148	3,271	3,457
Accommodation & Food Services	16,333	16,975	17,774	17,945	18,191	17,586
Other Services	4,865	5,042	5,318	5,382	5,376	5,355
Non-classifiable	34	40	24	5	22	16
Government	<u>27,284</u>	<u>28,035</u>	<u>28,665</u>	<u>29,094</u>	<u>29,073</u>	<u>30,046</u>
Total ⁽²⁾	<u>169,053</u>	<u>172,723</u>	<u>176,663</u>	<u>179,815</u>	<u>183,466</u>	<u>186,310</u>

(1) Averaged figures through 2nd quarter 2019.

(2) Figures may not equal totals when added due to the rounding of averages.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

In 2018, the largest employment sector in the Denver-Aurora CSA was government (comprising approximately 13.8% of the metro area's work force), followed in order by health care and social assistance; professional and technical services; accommodations and food services; and retail trade. For the twelve-month period ending December 31, 2018, total average employment in the Denver-Aurora CSA increased by approximately 2.7% as compared to the same twelve-month period ending December 31, 2017.

Table No. 18

Average Number of Employees Within Selected Industries – Denver-Aurora MSA

Industry	2014	2015	2016	2017	2018	2019 ⁽¹⁾
Agriculture, Forestry, Fishing, Hunting	6,538	6,873	7,308	8,046	8,303	8,674
Mining	21,148	19,806	15,225	16,573	19,115	20,097
Utilities	4,232	4,254	4,214	4,189	4,194	4,326
Construction	92,362	97,146	102,168	108,151	114,871	116,353
Manufacturing	94,534	98,309	99,936	100,624	102,341	104,176
Wholesale Trade	77,221	79,730	81,196	82,796	84,033	84,597
Retail Trade	157,574	162,560	165,413	166,020	167,331	165,598
Transportation & Warehousing	49,883	51,501	52,343	56,343	60,677	63,653
Information	53,569	54,187	55,290	55,912	59,126	59,631
Finance & Insurance	77,542	80,145	82,050	83,876	84,914	84,694
Real Estate, Rental & Leasing	28,442	30,070	31,368	32,475	33,433	34,382
Professional & Technical Services	147,305	153,675	158,785	163,354	170,136	176,162
Management of Companies/Enterprises	31,596	32,596	32,771	34,875	36,633	37,244
Administrative & Waster Services	106,477	109,029	109,722	109,729	111,040	110,242
Educational Services	24,331	25,137	25,919	26,106	27,261	27,953
Health Care & Social Assistance	171,875	181,360	188,477	189,161	193,943	195,852
Arts, Entertainment & Recreation	26,140	27,127	28,128	30,034	30,934	31,139
Accommodation & Food Services	149,175	156,320	162,524	166,401	169,279	169,282
Other Services	47,735	49,387	51,389	53,438	53,828	54,416
Non-Classifiable	252	198	182	44	123	157
Government	<u>226,405</u>	<u>232,689</u>	<u>237,979</u>	<u>241,775</u>	<u>244,479</u>	<u>250,565</u>
Total All Industries ⁽²⁾	<u>1,594,333</u>	<u>1,652,097</u>	<u>1,692,385</u>	<u>1,729,923</u>	<u>1,775,992</u>	<u>1,799,191</u>

(1) Averaged figures through 2nd quarter 2019.

(2) Figures may not equal totals when added due to the rounding of averages.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

The following table sets forth major private non-retail employers in Boulder County and the Denver Metro area. No independent investigation of the stability or financial condition of the employers listed hereafter has been conducted; therefore, no representation can be made that these employers will continue to maintain their status as major employers in the county and metro area.

Table No. 19

Largest Private Employers in Boulder County and Metro Denver Area		
<u>Name of Company – Boulder County</u>	<u>Product/Service</u>	<u>Employment⁽¹⁾</u>
Medtronic PLC	Medical devices & products	2,470
Boulder Community Hospital	Healthcare	2,440
Ball Aerospace & Technologies Corporation	Aerospace, technologies, services	1,680
IBM Corporation	Computer systems and services	1,670
Seagate Technology	Computer hard drives	1,440
Good Samaritan Medical Center	Healthcare	1,430
Google	Internet services & products	1,300
Centura Health: Longmont United Hospital and Avista Adventist Hospital	Healthcare	1,280
Sierra Nevada Corporation	Aerospace systems	750
Kaiser Permanente	Healthcare	750
<u>Name of Company – Denver Metro Area</u>	<u>Product/Service</u>	<u>Employment⁽¹⁾</u>
HealthONE Corporation	Healthcare	11,870
Centura Health	Healthcare	9,450
UCHealth	Healthcare, research	9,380
SCL Health System	Healthcare	8,930
CenturyLink	Telecommunications	7,800
Lockheed Martin Corp.	Aerospace & defense related systems	7,510
Comcast	Telecommunications	7,250
Children's Hospital Colorado	Healthcare	7,160
Kaiser Permanente	Healthcare	7,000
Amazon	Warehousing & distribution services	6,490

(1) Revised June 2019.

Source: Development Research Partners as posted by Metro Denver Economic Development Corporation.

Retail Sales

The following table sets forth information on retail sales within Boulder County, Denver-Aurora CSA, and the State, for the years indicated.

Table No. 20

Retail Sales
(in thousands)

Year	Boulder County	Percent Change	Denver- Aurora CSA	Percent Change	Colorado	Percent Change
2014	\$10,370,313	--	\$122,189,431	--	\$182,709,978	--
2015	10,408,162	0.4%	123,011,594	0.7%	182,845,280	0.1%
2016	11,024,695	5.9	124,118,109	0.9	184,703,410	1.0
2017	12,072,631	9.5	130,997,912	5.5	194,641,958	5.4
2018	12,464,258	3.2	138,548,888	5.8	206,121,045	5.9
2019 ⁽¹⁾	13,235,784	--	133,171,022	--	197,846,165	--

(1) Annual retail sales through November 30, 2019.

Source: State of Colorado, Department of Revenue, Retail Sales Report, 2014-2019.

Building Permit Activity in the County

Table No. 21

Building Permits in Unincorporated Boulder County

Year	New Single Family		New Multi-Family ⁽¹⁾		New Non-Residential ⁽²⁾	
	Permits	Value	Units	Value	Permits	Value
2015	59	\$29,107,083	0	\$0	12	\$ 8,178,000
2016	71	38,150,338	0	0	13	8,386,388
2017	60	43,454,482	3	555,000	7	13,201,278
2018	60	43,521,483	0	0	6	4,615,350
2019	64	40,540,828	0	0	17	17,5978,732

(1) Includes townhouses, duplexes, condominiums, and multi-family buildings.

(2) Includes hotels/motels/nonhousekeeping buildings, amusement/recreation, churches, industrial buildings/manufacturing plants, parking garages, service stations/repair garages, offices/banks/professional buildings, public works/utility buildings, schools, and stores/restaurants.

Source: Boulder County Building Safety & Inspection Services.

Foreclosure Activity

The following table sets forth information on the number of foreclosures filed in the County. Such information represents the number of foreclosures filed and does not take into account the number of foreclosures which were filed and subsequently withdrawn or redeemed.

Table No. 22

History of Foreclosures – Boulder County

<u>Year</u>	<u>Number of Foreclosures Filed</u>	<u>Percent Change</u>
2015	221	--
2016	174	(21.3)%
2017	170	(2.3)
2018	123	(27.6)
2019	144	17.1

Sources: Colorado Division of Housing (2015-2018) and Boulder County Public Trustee's Office (2019).

Education

The main campus of the University of Colorado is located in the County and was established in 1876. In fall 2019, the University of Colorado Boulder had approximately 9,980 employees (excluding student employees) and nine colleges and schools which include Arts and Sciences, Business, Education, Engineering, Graduate School, Law, Media/Communication, and Music. The University of Colorado Boulder offers 120 degree programs and 4,000+ academic courses. In fall 2019, enrollment of degree seeking students was 35,528.

There are two public school districts with headquarters in the County with a combined 2019-2020 total enrollment count of approximately 63,855 students.

LEGAL MATTERS

Certain Constitutional Limitations

On November 3, 1992, the voters of the State approved an amendment to the State Constitution known as the "Taxpayer's Bill of Rights" ("**TABOR**"), which limits the powers of public entities to borrow, tax and spend.

TABOR requires voter approval prior to the imposition by the County of a new tax, tax rate increase, mill levy increase, valuation for assessment ratio increase, tax extension or other change in policy which results in a net gain of tax revenues or the creation by the County of any multiple-fiscal year debt or other financial obligation, subject to certain exceptions. Ballot questions seeking voter approval for such matters may be submitted only at State general elections or on the first Tuesday of November of odd-numbered years.

TABOR limits the total amount of revenues, subject to certain exceptions, to the total of inflation plus the net percentage change in actual value of all real property within the County due to construction of improvements and additional taxable real property. Revenues collected by the County in excess of the limit are required to be refunded during the next calendar year. In addition, in the absence

of voter approval TABOR limits, with certain adjustments, annual percentage increases in County spending, subject to certain exceptions, to the total of inflation plus annual local growth. If revenues fall in any calendar year, the lower spending total becomes the new County base for computing the next year's limits.

In 2005, the County voters approved a ballot issue that exempted revenues collected in 2005 and each subsequent year from TABOR's revenue and spending limitations. This ballot issue allowed the property tax mill levy rate to grow by no more than 0.6 mills annually through 2010 until it reaches the TABOR allowed maximum of 23.745 mills (the TABOR mill levy limit was raised to 24.645 mills for five years commencing in 2011).

In the opinion of Bond Counsel, the Lease may be entered into without an election under TABOR because the County's payment obligations under the Lease are subject to annual renewal or cancellation at the option of the County and therefore do not constitute a "multiple-fiscal year direct or indirect debt or other financial obligation."

Litigation

The County Attorney states that there is no litigation of which the County Attorney has received written notice now pending, or to the knowledge of County officials responsible for the execution and delivery of the Series 2020A Certificates, threatened, which questions in any manner the authorization, execution or delivery or the legality of the Series 2020A Certificates or the power of the County to levy and collect ad valorem taxes, to the extent permitted by law, to pay Base Rentals or Additional Rentals under the Lease.

The County is, however, subject to certain pending and threatened litigation regarding various other matters arising in the ordinary course of the County's business. It is the opinion of the County Attorney that the County's level of insurance coverage is adequate and that the pending litigation will not result in final judgment against the County which would, individually or in the aggregate, materially adversely affect the County's financial position or its ability to perform its obligations to the owners of the Series 2020A Certificates. Except as otherwise set forth in an opinion of counsel, none of the counsel passing upon legal matters in connection with the Series 2020A Certificates has made an independent investigation of the operation and governance of the County with respect to any factual matters or has undertaken any search of public records.

Sovereign Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, Part 1, C.R.S. (the "**Immunity Act**"), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the County, for injuries which lie in tort or could lie in tort.

The Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: the operation of a non-emergency motor vehicle (including a light rail car), owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Immunity Act, whether from one

or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$350,000; (b) for an injury to two or more persons in any single occurrence, the sum of \$990,000; except in such instance, no person may recover in excess of \$350,000. These amounts are indexed to the consumer price index for the Denver-Boulder-Greeley area. The County may increase any maximum amount that may be recovered from the County for certain types of injuries. However, the County may not be held liable either directly or by indemnification for punitive or exemplary damages unless the County voluntarily pays such damages in accordance with State law. The County has not acted to increase the damage limitations in the Immunity Act.

The County may be subject to civil liability and damages including punitive or exemplary damages under federal laws, and it may not be able to claim sovereign immunity for actions founded upon federal laws. Examples of such civil liability include suits filed pursuant to Section 1983 of Title 42 of the United States Code, alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the County may be enjoined from engaging in anti-competitive practices which violate federal and State antitrust laws. However, the Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Approval of Certain Legal Proceedings

Legal matters incident to the authorization, execution and delivery of the Series 2020A Certificates are subject to approval by Kutak Rock LLP, Denver, Colorado, Special Counsel, whose approving opinion on such matters is expected to be in substantially the form set forth in “APPENDIX B – Form of Opinion of Bond Counsel.” Certain matters will be passed upon for the County by Ben Pearlman, Esq., County Attorney. Sherman & Howard L.L.C. has been retained to assist the County in the preparation of this Official Statement. The fees and expenses of Kutak Rock LLP and Sherman & Howard L.L.C. are contingent upon the delivery of and payment for the Series 2020A Certificates.

TAX MATTERS

Generally [Bond Counsel to Review]

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2020A Certificates (including any original issue discount properly allocable to the owner of a Series 2020A 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 opinions described in the preceding sentence assume the accuracy of certain representations and compliance by the County with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2020A Certificates. Failure to comply with such covenants could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2020A Certificates. The County has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2020A Certificates.

The accrual or receipt of interest on the Series 2020A Certificates may otherwise affect the federal income tax liability of the owners of the Series 2020A Certificates. The extent of these other tax consequences will depend upon 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 2020A Certificates, 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 2020A Certificates.

Bond Counsel is also of the opinion that, under existing State statutes, the Series 2020A Certificates, the transfer thereof and the income therefrom are free from taxation by the State and any political subdivision or other instrumentality thereof. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2020A Certificates under the laws of the State or any other state or jurisdiction.

Original Issue Discount

The Series 2020A Certificates that have an original yield above their respective interest rates, as shown on the cover 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 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 2020A Certificates that have an original yield below their respective interest rates, as shown on the cover 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 the 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 with 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. 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 2020A Certificates under the Code.

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 2020A Certificates 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 2020A Certificates who 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 2020A Certificates from gross income for federal income tax purposes or any other federal tax consequences of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress that, if enacted, could alter or amend the federal tax matters referred to under this heading “TAX MATTERS” or adversely affect the market value of the Series 2020A Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to obligations 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 2020A Certificates. 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 2020A Certificates or the market value thereof would be impacted thereby. Purchasers of the Series 2020A Certificates should consult their tax advisors regarding any pending or proposed tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Series 2020A Certificates and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

FINANCIAL ADVISOR

D.A. Davidson & Co. (“**D.A. Davidson**”) has acted as financial advisor to the County in connection with the sale of the Series 2020A Certificates. D.A. Davidson is not obligated nor has undertaken to make an independent verification or to assume responsibility for the accuracy or completeness of the information contained in the Official Statement.

CONTINUING DISCLOSURE

In connection with the issuance of the Series 2020A Certificates and to assist the underwriter in complying with Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended, the Continuing Disclosure Undertaking provides a covenant by the County that it will deliver to each national municipal securities depository recognized by the SEC and any State information depository for the State recognized by the SEC pursuant to the Rule annually certain financial information and operating data, including audited financial results, and provide notice of certain events specified by the Rule. See Appendix C for the detailed provisions of the Continuing Disclosure Undertaking.

During the last five years, the County has continually complied with the requirements set forth in all previous continuing disclosure undertakings for issues that have been subject to the Rule. The County has hired DAC and adopted written procedures to ensure compliance with continuing disclosure obligations under the Rule.

The County voluntarily self-reported instances of failures to provide certain information required under prior continuing disclosure undertakings pursuant to the Municipalities Continuing Disclosure Cooperation Initiative (“MCDC”) coordinated by the United States Securities and Exchange Commission (the “SEC”). The MCDC program contemplates entry into an Offer of Settlement between the SEC and self-reporting entities. Accordingly, the County approved such an Offer of Settlement on April 21, 2016 (the “Settlement Order”) pursuant to which the County agreed to (i) establish appropriate written policies and procedures and periodic training regarding continuing disclosure obligations within 180 days of entry of the Settlement Order, (ii) comply with existing continuing disclosure undertakings within 180 days of the Settlement Order, (iii) disclose the terms of the Settlement Order in a clear and conspicuous fashion for any County offering within five years of the Settlement Order, (iv) certify, in writing, compliance with the undertakings set forth in subclauses (i) to (iii) above, and (v) cooperate with any subsequent investigation by the SEC regarding the self-reported continuing disclosure issues. The County is in compliance in all material respects with its undertakings in the Settlement Order.

BASIC FINANCIAL STATEMENTS

The basic financial statements of the County for the period ended December 31, 2018, included herein as “APPENDIX A,” have been audited by CliftonLarsonAllen LLP (“**CliftonLarson**”), independent auditors, as stated in their report appearing herein.

The agreement between the County and Clifton Larson relating to provision of audit services provides that the County is not required to obtain Clifton Larson's consent for the inclusion of financial statements in the County's offering documents. Accordingly, the consent of Clifton Larson to the inclusion of APPENDIX A was not sought or obtained. Clifton Larson has not been engaged to perform and has not performed since the date of its report included in APPENDIX A, any procedures on the financial statements addressed in that report. Clifton Larson has also not performed any procedures relating to this Official Statement. Clifton Larson should not be considered to be associated with this Official Statement in any manner.

UNDERWRITING

The Series 2020A Certificates were purchased at a negotiated sale on May __, 2020 by _____ (the "Underwriter") at a purchase price of \$_____ (equal to the principal amount of the Series 2020A Certificates, plus an original premium issue of \$_____, less underwriting discount of \$_____.

ADDITIONAL INFORMATION

Additional information concerning the Series 2020A Certificates may be obtained from Ramona Farineau, Chief Financial Officer, Boulder County, 2025 14th Street, Boulder, Colorado 80302, (303) 441-3499 and Eric Duran, Managing Director, D.A. Davidson & Co., 1550 Market Street, Suite 300, Denver, Colorado 80202, (303) 764-5722.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion, forecasts or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement.

BOULDER COUNTY, COLORADO

By: _____
Chair of the Board of County Commissioners

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APPENDIX A
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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APPENDIX B
FORM OF OPINION OF BOND COUNSEL

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APPENDIX C

DEFINITIONS AND SUMMARIES OF CERTAIN DOCUMENTS

[Bond Counsel to Update]

Certain provisions of the Indenture and the Lease are summarized in the body of the Official Statement and are not summarized in this Appendix. This summary should be read in conjunction with the material in the body of the Official Statement describing provisions of such documents.

This summary, the descriptions herein and the descriptions of provisions of the Indenture and the Lease in the body of the Official Statement are qualified in all respects by reference to the Indenture, the Lease and the Site Lease.

DEFINITIONS

The following capitalized terms will have the following meanings in this Appendix:

“*Acquired Property*” means the property described in clauses (b), (d) and (e) of the first paragraph under the caption “THE LEASED PROPERTY—Description of the Leased Property” in the body of this Official Statement.

“*Additional Rentals*” means the costs and expenses incurred by the County in performing its obligations under the Lease with respect to the Leased Property, the Project, the Lease, the Indenture, the Certificates and any matter related thereto; the amounts payable by the County to the Trustee as rental payments for the portion of the Leased Property represented by the Site Leased Property as provided in the Site Lease; the costs and expenses incurred by the County in paying the reasonable fees and expenses of the Trustee pursuant to the provisions of the Lease; all amounts paid by the County to the Trustee to fund the Rebate Fund pursuant to the Lease; and all other costs and expenses incurred by the County in connection with the foregoing; provided, however, that Additional Rentals do not include the Base Rentals or the Purchase Option Price.

“*Affected Portion*” means, in the instance where any of the events described in paragraph (a) under “LEASE—Damage to, Condemnation of, Material Defect in or Loss of Title to Leased Property” in this Appendix affects only a portion of the Leased Property, such affected portion of the Leased Property.

“*Base Rentals*” means the payments by the County as described in the Lease, for and in consideration of the right to use the Leased Property during the Lease Term.

“*Base Rental Payment Date*” means the day that is five days prior to each Interest Payment Date.

“*Board*” means the Board of County Commissioners of the County.

“*Bond Counsel*” means (a) as of the date of execution and delivery of the Certificates, Kutak Rock LLP, and (b) as of any other date, Kutak Rock LLP or such other attorneys selected by the County with nationally recognized expertise in the issuance of municipal securities, the interest on which is excluded from gross income for federal income tax purposes.

“*Business Day*” means any day other than a Saturday, a Sunday or a day on which banks in New York, New York or Denver, Colorado are authorized by law to remain closed.

“*Certificate Fund*” means the special fund created as described in “INDENTURE—Certificate Fund” in this Appendix.

“*Certificates*” means the “Certificates of Participation (Flood Reconstruction Projects), Series 2015, evidencing undivided interests in the right to receive certain revenues payable by Boulder County, Colorado under a Lease Purchase Agreement dated as of March 31, 2015,” defined in the body of this Official Statement as the “Series 2020A Certificates.”

“*Code*” means the Internal Revenue Code of 1986, as amended, and regulations thereunder.

“*Costs of Issuance*” means administrative costs of execution and delivery of any Certificates, including, but not limited to, any fees and expenses of the Trustee incurred in connection with the execution and delivery of the Certificates, the Underwriters’ discount on the Certificates, any fees and expenses of the County’s financial advisor in connection with the execution and delivery of the Certificates, legal fees and expenses, costs incurred in obtaining ratings from rating agencies, costs of immediately available funds, costs of publication, printing and engraving, accountants’ fees and recording and filing fees.

“*Costs of Issuance Fund*” means the account of the Construction Fund described in “INDENTURE—Costs of Issuance Fund” in this Appendix.

“*County*” means Boulder County, Colorado.

“*County Representative*” means the Chair of the Board, or in the absence of the Chair of the Board, any other member of the Board, and any other person or persons designated to act on behalf of the County for the purposes of performing any act under the Lease and the Indenture by a written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the County by any officer of the Board. The identity(ies) of the County Representative(s) may be changed by the County from time to time by furnishing a new certificate to the Trustee.

“*Defeasance Securities*” means means Permitted Investments which are included on the following list: (a) cash; (b) U.S. Treasury Certificates, Notes and Bonds, including State and Local Government Series (“SLGs”); (c) direct obligations of the U.S. Treasury which have been stripped by the Treasury itself, including CATS, TIGRS and similar securities; (d) Resolution Funding Corp. (REFCORP): only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form; (e) pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P; provided that if the issue is only rated by S&P (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA-rated pre-refunded municipal bonds; (f) the following obligations issued by the following agencies for which the full faith and credit of the United States are pledged for the payment of principal and interest: (i) U.S. Export-Import Bank (Eximbank) direct obligations or fully guaranteed certificates of beneficial ownership; (ii) Farmers Home Administration (FmHA) certificates of beneficial ownership; (iii) Federal Financing Bank; (iv) General Services Administration participation certificates; (v) U.S. Maritime Administration Guaranteed Title XI financing; (vi) U.S. Department of Housing and Urban Development (HUD): (A) Project Notes; (B) Local Authority Bonds; (C) New Communities Debentures—U.S. government guaranteed debentures; and (D) U.S. Public Housing Notes and Bonds—U.S. government guaranteed public housing notes and bonds.

“*Event of Default*” means an event described in “LEASE—Events of Default and Remedies under the Lease” in the body of this Official Statement.

“*Event of Nonappropriation*” means an event described in “LEASE—Event of Nonappropriation” in the body of this Official Statement.

“*Fiscal Year*” means the County’s fiscal year, which begins on January 1 of each year and ends on December 31 of such year.

“*Force Majeure*” means any event that is not within the control of the County, including, without limitation, acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; or breakage or accidents affecting machinery, transmission pipes or canals.

“*Indenture*” means the Indenture of Trust by the Trustee dated as of March 31, 2015 and any amendment or supplement thereto.

“*Independent Counsel*” means an attorney duly admitted to the practice of law before the highest court in the State and who is not an employee of the County or the Trustee.

“*Initial Term*” means the period commencing on the date the Certificates are issued and ending on December 31, 2015.

“*Interest Payment Date*” means June 1 and December 1 of each year, beginning on June 1, 2015.

“*Lease*” means the Lease Purchase Agreement dated as of March 31, 2015 between the Trustee, as lessor, and the County, as lessee, and any amendment or supplement thereto.

“*Lease Revenues*” means (a) the Base Rentals; (b) the Purchase Option Price, if paid; (c) any Net Proceeds; (d) any portion of the proceeds of any Certificates deposited with or by the Trustee in the Certificate Fund to pay accrued interest on the Certificates; (e) any earnings on moneys on deposit in the Certificate Fund; (f) all other revenues derived from the Lease, excluding Additional Rentals; and (g) any other moneys to which the Trustee may be entitled for the benefit of the Owners.

“*Lease Term*” is defined in “LEASE—Lease Term” in the body of this Official Statement.

“*Leased Property*” means, collectively, the Acquired Property and the Site Leased Property.

“*Net Proceeds*” means (a) the gross proceeds received from any event referred to in the Lease, minus (b) all expenses incurred in the collection of such gross proceeds or award.

“*Operations Center*” means the operations center of the Trustee in Kansas City, Missouri, or at such other location as the Trustee may designate from time-to-time by written notice to the County and the Owners.

“*Opinion of Counsel*” means a written opinion of legal counsel, who may be counsel to the Trustee.

“*Outstanding*” means all Certificates which have been executed and delivered, except: (a) Certificates canceled or which will have been surrendered to the Trustee for cancellation; (b) Certificates in lieu of which other Certificates have been executed under the Indenture; (c) Certificates which have been redeemed as provided in the Indenture (including Certificates redeemed on payment of an amount less than the outstanding principal thereof and accrued interest thereon to the redemption date as provided in in the Indenture); (d) Certificates which are due and for which the Trustee holds funds for the benefit of the Owner thereof pursuant to the Indenture; (e) Certificates which are otherwise deemed discharged pursuant to the Indenture; and (f) Certificates held by the County.

“*Owner*” of a Certificate means the registered owner of any Certificate as shown in the registration records of the Trustee.

“*Permitted Encumbrances*” means, as of any particular time: (a) liens for taxes and assessments not then delinquent, or liens which may remain unpaid as permitted by the Lease as described in “LEASE—Limitations on Disposition of and Encumbrances on Leased Property” in this Appendix; (b) the Lease, the Site Lease and the Indenture; (c) easements, licenses, rights of way, rights and privileges, restrictions and exceptions which the County Representative certifies will not materially adversely affect the value, or interfere with or impair the effective use or operation, of the Leased Property, including easements granted pursuant to the Lease; (d) any financing statements filed with respect to the Trustee’s interest in the Leased Property or this Lease; (e) any claim filed pursuant to Section 38-26-107, Colorado Revised Statutes, as amended; (f) any applicable zoning requirements; (g) the Solar Panel Agreements; and (h) any encumbrances represented by exceptions set forth in each of the commitments for the title insurance policies with respect to the Leased Property as of the date of the Lease.

“*Permitted Investments*” means any investment which is a lawful investment permitted for the investment of funds of the County by the laws of the State.

“*Person*” means any natural person, firm, corporation, partnership, limited liability company, state, political subdivision of any state, other public body or other organization or association.

“*Project*” means the acquisition by the Trustee of the Acquired Property from the County and the lease by the Trustee of the Site Leased Property from the County.

“*Purchase Option Price*” means the amount that the County must pay to purchase the interest of the Trustee in the Leased Property as described in “LEASE—County’s Purchase Option” in the body of this Official Statement.

“*Rebate Fund*” means the special fund described in “INDENTURE—Rebate Fund” in this Appendix.

“*Record Date*” means, with respect to each Interest Payment Date, the fifteenth day (whether or not a Business Day) of the month preceding the month in which the Interest Payment Date occurs.

“*Redemption Date*” means the date fixed for the redemption prior to their respective maturities of any Certificates in any notice of prior redemption or otherwise fixed and designated by the County.

“*Redemption Price*” means the principal amount of a Certificate plus the applicable premium, if any, payable upon the redemption thereof prior to the stated maturity date of such Certificate on a Redemption Date in the manner contemplated in accordance with the terms of such Certificate.

“*Renewal Term*” means each twelve-month period, commencing on January 1 of each year and ending on December 31 of such year, for which the County renews the Lease Term.

“*Requirement of Law*” means any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including but not limited to any of the foregoing relating to zoning, environmental, health or safety matters.

“*S&P*” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors and assigns.

“*Scheduled Lease Term*” means the period from the commencement of the Initial Term through the termination date described in “LEASE—Lease Term” in the body of this Official Statement.

“*Site Lease*” means the Site Lease between the County, as lessor, and the Trustee, in its capacity as trustee under the Indenture, as lessee, pursuant to which the Site Leased Property is being leased by the County to the Trustee, and any amendment or supplement thereto.

“*Site Leased Property*” means the Trustee’s leasehold interest pursuant to the Site Lease in the property described in clauses (a) and (c) of the first paragraph under the caption “THE LEASED PROPERTY—Description of the Leased Property” in the body of this Official Statement.

“*Solar Panel Agreements*” means, collectively: (a) the Solar Energy Purchase Agreement (Number 2 – Clerk and Recorder) dated as of September 4, 2008 between RC Energy Boulder County LLC, as seller, and the County, as buyer, including without limitation, Appendix 1 thereto; (b) the Solar Energy Purchase Agreement (Number 11 – Sheriff) dated as of June 15, 2010 between RC Energy Boulder County LLC, as seller, and the County, as buyer, including without limitation, Appendix 1 thereto; (c) the Solar Energy Purchase Agreement (Number 12 – Longhorn Transportation Center) dated as of October 28, 2013 between RC Energy Boulder County LLC, as seller, and the County, as buyer, including without limitation, Appendix 1 thereto; (d) the Acceptance and Notification Certificate dated as of November 25, 2008 by and among the County, RC Energy Boulder County LLC and MB Financial Bank, N.A. relating to the agreement set forth in clause (a) of this definition; (e) the Acceptance and Notification Certificate dated as of March 16, 2011 by and among the County, RC Energy Boulder County LLC and MB Financial Bank, N.A. relating to the agreement set forth in clause (b) of this definition; and (f) the Acceptance and Notification Certificate dated as of February 18, 2014 by and among the County, RC Energy Boulder County LLC and MB Financial Bank, N.A. relating to the agreement set forth in clause (c) of this definition.

“*Special Record Date*” means a special date fixed to determine the names and addresses of Owners of Certificates for purposes of paying defaulted interest in accordance with the Indenture.

“*State*” means the state of Colorado.

“*Supplemental Indenture*” means any indenture supplementing or amending the Indenture that is adopted as described in the Indenture.

“*Trust Bank*” means a commercial bank which is authorized to exercise and is exercising trust powers located within or without the State, and also means any branch of the Federal Reserve Bank.

“*Trust Estate*” means the following property held in trust by the Trustee pursuant to the Indenture: (a) the Leased Property and the tenements, hereditaments, appurtenances, rights, privileges and immunities thereto belonging or appertaining, subject to the terms of the Lease including, but not limited to, the terms of the Lease permitting the existence of Permitted Encumbrances; (b) all rights, title and interest of the Trustee in, to and under the Lease (other than the Trustee’s rights to payment of its fees and expenses under the Lease and the rights of third parties to Additional Rentals payable to them under the Lease), including, without limitation, the right to cause any Net Proceeds payable to the County to be deposited by the County into a special trust fund held by the Trustee and used in accordance with the Lease; (c) all Base Rentals; (d) all Additional Rentals that are payable to the Trustee for the benefit of the Owners; (e) the Purchase Option Price, if paid; and (f) all money and securities from time to time held by the Trustee under the Indenture in the Certificate Fund. The Trust Estate does not include the Rebate Fund or any defeasance escrow accounts established pursuant to the Indenture.

“*Trustee*” means UMB Bank, n.a., or any successor thereto, solely in its capacity as Trustee under the Indenture, and not in its own corporate capacity, or any successor trustee under the Indenture. Pursuant to the Lease, any successor trustee under the Indenture will automatically succeed to the interest of the previous trustee in the Leased Property and the previous trustee’s rights, title, interest and obligations in, to and under the Lease.

“*Trustee Breach*” is defined in “INDENTURE—Trustee Breach” in this Appendix.

“*Trustee Representative*” means any officer of the Trustee; and any other person or persons designated to act on behalf of the Trustee under the Lease and the Indenture by a written certificate furnished to the County and the Trustee containing the specimen signature of such person and signed on behalf of the Trustee by any officer of the Trustee. The identity of the Trustee Representative may be changed by the Trustee from time to time by furnishing a new certificate to the County.

“*Underwriters*” means, collectively, D.A. Davidson & Co. and Stifel, Nicolaus & Company, Incorporated.

INDENTURE

Issuance and Details of Certificates

The Certificates will be issued, sold and delivered under the Indenture for the purpose of paying the costs of the Project and the Costs of Issuance of the Certificates.

The Certificates will be issuable only as fully registered certificates in the denominations of \$5,000 and any integral multiple thereof (provided that no Certificate may be in a denomination which exceeds the principal coming due on any maturity date and no individual Certificate may be executed and delivered for more than one maturity). The Certificates are to be numbered in such manner as determined by the Trustee.

Subject to the provisions of the Indenture described in the immediately succeeding paragraph, the principal of and premium, if any, on any Certificate is payable to the Owner thereof as shown on the registration records of the Trustee upon maturity or prior redemption thereof and upon presentation and surrender at the Operations Center of the Trustee, and payment of interest on the Certificates is to be made by check or draft of the Trustee mailed, on or before each Interest Payment Date, to the Owner thereof at his address as it last appears on the registration records of the Trustee at the close of business on the Record Date. Any such interest not so timely paid will cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and is to be payable to the person who is the

Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date is to be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date is to be given by the Trustee to the Owners of the Certificates, not less than 10 days prior to the Special Record Date, by first-class mail to each such Owner as shown on the Trustee's registration records on a date selected by the Trustee, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Alternative means of payment of interest may be used if mutually agreed to in writing between the Owner of any Certificate and the Trustee.

Notwithstanding any other provision of the Indenture, the Certificates are to be delivered only in book-entry form registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, acting as securities depository of the Certificates and principal of, premium, if any and interest on the Certificates is to be paid by wire transfer to DTC; provided, however, if at any time the County determines that DTC is no longer able to act as, or is no longer satisfactorily performing its duties as, securities depository for the Certificates, the County may, at its discretion, either (i) designate a substitute securities depository for DTC, whereupon the Trustee is to reregister the Certificates as directed by such substitute securities depository or (ii) terminate the book-entry registration system, whereupon the Trustee is to reregister the Certificates in the names of the beneficial owners thereof provided to it by DTC.

Delivery of Certificates

Upon the execution and delivery of the Indenture, the Trustee is to execute and deliver the Certificates to the Underwriters, as provided below:

(a) Prior to the delivery by the Trustee of the Certificates, there is to have been filed with the Trustee (i) an originally executed counterpart of the Indenture, (ii) certified copies of any other instruments to be executed and delivered by the Trustee and the County in connection with the Certificates, which is to include, but not be limited to the Lease or the Site Lease, and (iii) the title insurance policy or commitment required by the Indenture.

(b) Thereupon, the Trustee is to deliver the Certificates to the Underwriters, upon payment to the Trustee of the agreed purchase price, which sum is to be applied as follows: (i) accrued interest, if any, on the Certificates is to be deposited into the Interest Account of the Certificate Fund; (ii) the amount specified in a certificate of the County Representative is to be deposited into the Costs of Issuance Fund; and (iii) the remainder is to be paid to the County.

Mutilated, Lost, Stolen or Destroyed Certificates

In the event that any Certificate is mutilated, lost, stolen or destroyed, a new Certificate may be executed on behalf of the Trustee, of like date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that the Trustee has received such evidence, information or indemnity from the Owner of the Certificate as the Trustee may reasonably require, and provided further, in case of any mutilated Certificate, that such mutilated Certificate is to first be surrendered to the Trustee. In the event that any such Certificate has matured, instead of executing and delivering a duplicate Certificate, the Trustee may pay the same without surrender thereof. The Trustee may charge the Owner of the Certificate with its reasonable fees and expenses in this connection and require payment of such fees and expenses as a condition precedent to the delivery of a new Certificate.

Registration of Certificates; Persons Treated as Owners; Transfer and Exchange of Certificates

Records for the registration and transfer of Certificates are to be kept by the Trustee which is appointed by the Indenture the registrar for the Certificates. The principal of, interest on, and any prior redemption premium on any Certificate is to be payable only to or upon the order of the Owner or his legal representative (except as otherwise provided in the Indenture with respect to Record Dates and Special Record Dates for the payment of interest). Upon surrender for transfer of any Certificate at the Operations Center of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Trustee is to enter such transfer on the registration records and is to execute and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned.

Fully registered Certificates may be exchanged at the Operations Center of the Trustee for an equal aggregate principal amount of fully registered Certificates of the same maturity of other authorized denominations. The Trustee is to execute and deliver Certificates which the Owner making the exchange is entitled to receive, bearing numbers not previously assigned.

The Trustee may require the payment, by the Owner of any Certificate requesting exchange or transfer, of any reasonable charges as well as any taxes, transfer fees or other governmental charges required to be paid with respect to such exchange or transfer.

The Trustee will not be required to transfer or exchange (i) all or any portion of any Certificate during the period beginning at the opening of business 15 days before the day of the mailing by the Trustee of notice calling any Certificates for prior redemption and ending at the close of business on the day of such mailing, or (ii) all or any portion of a Certificate after the mailing of notice calling such Certificate or any portion thereof for prior redemption.

Except as otherwise provided in the Indenture with respect to Record Dates and Special Record Dates for the payment of interest, the person in whose name any Certificate is to be registered is to be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or interest on any Certificate is to be made only to or upon the written order of the Owner thereof or his legal representative, but such registration may be changed as provided in the Indenture. All such payments are to be valid and effectual to satisfy and discharge such Certificate to the extent of the sum or sums paid.

Cancellation of Certificates

Whenever any Outstanding Certificates are to be delivered to the Trustee for cancellation pursuant to the Indenture, upon payment thereof or for or after replacement pursuant to the Indenture, such Certificates are to be promptly cancelled by the Trustee.

Negotiability

Subject to the registration provisions in the Indenture, the Certificates are to be fully negotiable and are to have all the qualities of negotiable paper, and the Owners thereof are to possess all rights enjoyed by the holders or owners of negotiable instruments under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest on the Certificates is to be paid, and the Certificates are to be transferable, free from and without regard to any equities, set-offs or cross-claims between the Trustee and the original or any intermediate owner of any Certificates.

Certificate Fund

A special fund is created and established with the Trustee under the Indenture and designated the Boulder County, Colorado Certificates of Participation Certificate Fund, which is to be used to pay the principal of, premium, if any, and interest on the Certificates. Within the Certificate Fund there are created and established an Interest Account and a Principal Account, which are to be used as set forth in “SECURITY FOR THE SERIES 2020A CERTIFICATES—Certificate Fund” in the body of this Official Statement.

Costs of Issuance Fund

A special fund is created and established with the Trustee under the Indenture and designated the Boulder County, Colorado Certificates of Participation Costs of Issuance Fund.

The Trustee will deposit into the Costs of Issuance Fund proceeds of the sale of the Certificates or other legally available moneys in the amounts identified by the County in connection with the execution and delivery of the Certificates.

Moneys held in the Costs of Issuance Fund are to be used to pay Costs of Issuance as directed by the County. On the day that is 180 days following the date of execution and delivery of the Certificates, the Trustee is to transfer to the Principal Account of the Certificate Fund any amounts held in the Costs of Issuance Fund that are certified by the County as not required to pay Costs of Issuance.

Rebate Fund

(a) There is to be deposited into the Rebate Fund (i) all amounts paid by the County pursuant to the Indenture; and (ii) all other moneys delivered to the Trustee that are accompanied by instructions to deposit the same into the Rebate Fund.

(b) Not later than 60 days after the end of the fifth bond year designated by the County and every five years thereafter, the Trustee is to, at the direction of the County, pay to the United States of America 90% of the amount required to be on deposit in the Rebate Fund as of such payment date. No later than 60 days after the final retirement of the Certificates, the Trustee is to, at the direction of the County, pay to the United States of America 100% of the amount required to be on deposit in the Rebate Fund which is to remain in effect for such period of time as is necessary for such final payment to be made. Each payment required to be paid to the United States of America as described under this caption is to be filed with the Internal Revenue Service Center, Ogden, Utah 84201. Each payment is to be accompanied by a copy of the Internal Revenue Form 8038-T executed by the County and a statement prepared by the County or its agent summarizing the determination of the amount to be paid to the United States of America. The Trustee acknowledges that the County has reserved the right, in all events, to pursue such remedies and procedures as are available to it in order to assert any claim of overpayment of any rebated amounts.

(c) The County is to make or cause to be made all requisite rebate calculations so as to provide the information required to transfer moneys to the Rebate Fund pursuant to paragraph (b) under this caption and to make the payments required by paragraph (c) under this caption. The Trustee is to make deposits to and disbursements from the Rebate Fund in accordance with the written directions of the County given pursuant to the Investment Instructions (the “Investment Instructions”) and the Tax Compliance Certificate (the “Tax Compliance Certificate”) executed by the County in connection with the execution and delivery of the Certificates. The Trustee is to, at the written direction of the County, invest the Rebate Fund and is to deposit income from said investments immediately upon receipt thereof

in the Rebate Fund, all as set forth in the Investment Instructions. The Investment Instructions may be superseded or amended by new Investment Instructions drafted by, and accompanied by an opinion of, Bond Counsel addressed to the Trustee to the effect that the use of said new Investment Instructions will not cause the interest on the Certificates to be includible in the gross income of the recipients thereof for purposes of federal income taxation. The County may employ, at its expense, a designated agent to calculate the amount of deposits to and disbursements from the Rebate Fund. If a withdrawal from the Rebate Fund is permitted as a result of the computation described in the Investment Instructions, the specified amount is to be withdrawn from the Rebate Fund and deposited in the Certificate Fund at the written direction of the County. Record of the determinations required as described under this caption and delivered to the Trustee must be retained by the Trustee until six years after the final retirement of the Certificates.

The County has agreed in the Lease, subject to the terms of the Lease, that, if, for any reason, the amount on deposit in the Rebate Fund is less than the amount required to be paid to the United States of America on any date, the County will pay to the Trustee as Additional Rentals under the Lease the amount required to make such payment on such date.

Nonpresentment of Certificates

In the event any Certificate is not presented for payment when due, if funds sufficient to pay such Certificate have been made available to the Trustee for the benefit of the Owner thereof, it is to be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the Owner of such Certificate, who is to be restricted exclusively to such funds for any claim of whatever nature on his part under the Indenture or on or with respect to such Certificate. Funds so held but unclaimed by an Owner are to be transferred to the Principal Account of the Certificate Fund and are to be applied to the payment of the principal of any Outstanding Certificates after the expiration of four years or, if no Certificates are Outstanding after the expiration of such four-year period, are to be delivered to the County.

Moneys to be Held in Trust

The Certificate Fund, the Costs of Issuance Fund and, except for the Rebate Fund and any defeasance escrow account established pursuant to the Indenture, any other fund or account created under the Indenture is to be held by the Trustee, for the benefit of the Owners as specified in the Indenture, subject to the terms of the Indenture, the Lease, and the Site Lease. The Rebate Fund is to be held by the Trustee for the purpose of making payments to the United States of America pursuant to the Indenture. Any defeasance escrow account established pursuant to the Indenture is to be held for the benefit of the Owners of the Certificates to be paid therefrom as provided in the applicable escrow agreement.

Repayment to the County from the Trustee

After payment in full of the principal of, premium, if any, and interest on the Certificates, all rebate payments due to the United States of America, the fees and expenses of the Trustee and all other amounts required to be paid under the Indenture, any remaining amounts held by the Trustee pursuant to the Indenture are to be paid to the County.

Investment of Moneys

All moneys held as part of any fund, account or subaccount created under the Indenture are to be deposited or invested and reinvested by the Trustee, at the written direction of the County, in Permitted Investments. Any and all such deposits or investments are to be held by or under the control of the

Trustee. If the Trustee is not provided written directions concerning investment of moneys held in the Funds, the Trustee is to invest in money market funds that are included in the definition of Permitted Investments, provided they mature or are subject to redemption prior to the date such funds will be needed. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the County is required to confirm that the investment transactions identified therein accurately reflect the investment directions of the County, unless the County notifies the Trustee in writing to the contrary within thirty (30) days of the date of such statement. The Trustee is specifically authorized to purchase or invest in shares of any investment company that (a) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Trustee may provide advisory, administrative, custodial, or other services for compensation), (b) invests substantially all of its assets in short-term high-quality money-market instruments, limited to obligations issued or guaranteed by the United States, (c) maintains a constant asset value per share; and (d) meets the requirements of Section 24-75-601.1(1)(k), Colorado Revised Statutes, as amended. The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments. The Trustee may make any and all such deposits or investments through its own investment department or the investment department of any Trust Bank or trust company under common control with the Trustee and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Income from deposits or investments of moneys held in the Rebate Fund are to be deposited as provided in the Indenture and income from deposits or investments of moneys held in any escrow account established pursuant to the Indenture are to be deposited as provided in the escrow agreement governing such escrow account. Otherwise, except as otherwise provided by the Indenture, deposits or investments are to at all times be a part of the fund, account or subaccount from which the moneys used to acquire such deposits or investments are to have come, and all income and profits on such deposits or investments are to be credited to, and losses thereon are to be charged against, such fund, account or subaccount. The Trustee is to sell and reduce to cash a sufficient amount of such deposits or investments in the respective funds whenever the cash balance in the Principal Account or Interest Account is insufficient to pay the principal of or interest on the Certificates when due, or whenever the cash balance in any fund or account created under the Indenture is insufficient to satisfy the purposes of such fund or account. In computing the amount in any fund or account created under the Indenture for any purpose under the Indenture, investments are to be valued at cost (exclusive of accrued interest) or par, whichever is less.

Tax Certification

The Trustee certifies and covenants in the Indenture to and for the benefit of the Owners that so long as any of the Certificates remain Outstanding, moneys in any fund or account held by the Trustee under the Indenture, whether or not such moneys were derived from the proceeds of the sale of the Certificates or from any other source, will not be knowingly deposited or invested in a manner contrary to the written direction of the County.

Duties of the Trustee

The Trustee accepts the trusts imposed upon it by the Indenture and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations will be read into the Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default or Event of Nonappropriation and after the curing of all Events of Default or Events of Nonappropriation which may have occurred, undertakes to perform such duties and only such duties as are set forth in the Indenture and in the Lease.

In the case that an Event of Default or Event of Nonappropriation has occurred (which has not been cured or waived), the Trustee is to exercise such of the rights and powers vested in it by the Lease and the Indenture, and use the same degree of care and skill in their exercise as a reasonable and prudent person would exercise or use under the circumstances in the conduct of the affairs of another in exercising any rights or remedies or performing any of its duties under the Indenture.

(b) The Trustee may execute any of the trusts or powers described under the Indenture and perform any of its duties by or through attorneys, agents, receivers or employees and is to be answerable for the conduct of the same in accordance with the standard specified above, but only if the Trustee is not to have exercised reasonable care in the selection thereof, and is to be entitled to act upon the written advice of counsel or an Opinion of Counsel concerning all matters of trust under the Indenture and the duties under the Indenture, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts under the Indenture. The Trustee may act upon the written advice of counsel or an Opinion of Counsel and will not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such written advice of counsel or an Opinion of Counsel.

(c) The Trustee is not to be responsible for any recital in the Indenture or in the Certificates (except in respect of the execution of the Certificates by the Trustee), or for recording or filing of the Indenture or any financing statement (other than continuation statements) in connection therewith, or for insuring the Leased Property or collecting any insurance moneys, for the sufficiency of the security for the Certificates executed and delivered under the Indenture or intended to be secured by the Indenture, or for the value of or title to the Leased Property. The Trustee is not responsible or liable for any loss suffered in connection with the investment of moneys made by it in accordance with the Indenture.

(d) The Trustee makes no representation as to the value or condition of the Trust Estate or any part thereof (except for funds or investments held by the Trustee). The Trustee is not accountable for the use of any Certificates delivered to the Underwriters under the Indenture or for the proceeds thereof, or of any money paid to or upon the order of the County (other than money paid to the Trustee upon the order of the County) under any provision of the Indenture or of the Lease. The Trustee, in its individual or any other capacity, may become the Owner of Certificates with the same rights which it would have if not Trustee.

(e) The Trustee may conclusively rely and is protected in acting or refraining from acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. The Trustee may rely conclusively on any such certificate or other paper or document and is not required to make any independent investigation in connection therewith. Any action taken by the Trustee pursuant to the Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Certificate will be conclusive and all future Owners of the same Certificate and upon any Certificates executed and delivered in place thereof.

(f) The permissive right of the Trustee to do things enumerated in the Indenture is not to be construed as a duty and the Trustee is not to be answerable for other than its negligence or willful misconduct with respect to the permissive rights of the Trustee enumerated in the Indenture.

(g) The Trustee will not be required to take notice or be deemed to have notice of any Event of Default or Event of Nonappropriation except failure by the County to cause to be made any of the payments to the Trustee required to be made under the provisions of the Lease governing payment of Base Rentals, unless (i) an officer in the Trustee's trust department has actual knowledge of such Event of

Default or Event of Nonappropriation or (ii) the Trustee has been notified in writing of such Event of Default or Event of Nonappropriation by the County or by the Owners of at least 10% in aggregate principal amount of Certificates then Outstanding.

(h) All moneys received by the Trustee are to, until used or applied or invested as provided in the Indenture, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by the Indenture or law.

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

(j) Notwithstanding anything in the Indenture to the contrary, the Trustee has the right, but is not required, to demand in respect of the delivery of any Certificates, the withdrawal of any cash, or any action whatsoever within the purview of the Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms of the Indenture required, as a condition of such action by the Trustee.

(k) The Trustee will not be required to advance any of its own funds in the performance of its obligations under the Indenture unless it has received assurances or indemnifications satisfactory to it that it will be repaid.

(l) Before taking any action under the Indenture, the Trustee may require that indemnity satisfactory to it be furnished to it by the Owners for the reimbursement of all expenses, including reasonable attorney fees and expenses, which it may incur and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct, by reason of any action so taken. Additionally, the Trustee may require indemnification from the County with respect to any action which the County has directed the Trustee to take.

(m) Without limiting the duties of the Trustee specifically set forth in the Indenture, the Trustee is to have no responsibility with respect to: (i) the federal or state tax-exempt status of the Certificates, except where, as a result of its negligence or willful misconduct, the Trustee has failed to take action specifically directed in writing by the County or has taken action in contravention of any such written direction, and such action or failure to act adversely affects such status; (ii) calculation of amounts required to be rebated to the United States under Section 148 of the Code; and (iii) compliance by the County with the provisions of the Tax Compliance Certificate or the Investment Instructions.

(n) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, or whenever in the administration of the Indenture the Trustee deems it desirable that a matter be proved or established prior to taking, suffering or omitting any action under the Indenture, the Trustee is entitled to conclusively rely upon a certificate signed by a County Representative as sufficient evidence of the facts therein contained, and prior to the occurrence of an Event of Default of which the Trustee has been notified as described in paragraph (g) under this caption or of which by said paragraph the Trustee is deemed to have notice, the Trustee may also accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable but is to in no case be bound to secure the same.

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

(p) The Trustee may inform any Owner of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and, in such event no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

Maintenance of Existence; Performance of Obligations

The Trustee is to at all times maintain its existence and will use its best efforts to maintain, preserve and renew all the rights and powers provided to it under its articles of association and bylaws, action of its board of directors and applicable law; provided, however, that the covenant described under this caption will not prevent the assumption, by operation of law or otherwise, by any Person of the rights and obligations of the Trustee under the Indenture, but only if and to the extent such assumption does not materially impair the rights of the Owners of any Outstanding Certificates or the County.

The Trustee is to do and perform or cause to be done and performed all acts and things required to be done or performed in its capacity as Trustee under the provisions of the Indenture, the Lease and any other instrument or other arrangement to which it is a party.

Tax Covenant

In the Indenture, the Trustee agrees to comply, at the written direction of the County, with the procedures that are set forth in the Tax Compliance Certificate delivered by the County in connection with the execution and delivery of the Certificates. The covenants described under this caption are to remain in full force and effect notwithstanding the payment in full or defeasance of the Certificates until the date on which all obligations of the Trustee in fulfilling such covenants have been met.

Title Insurance

The Trustee is to be provided with a standard owner's title insurance policy or leasehold title insurance policy insuring the Trustee's interest in the Acquired Property of Site Leased Property, respectively, subject only to Permitted Encumbrances, in an amount not less than the lesser of either the Outstanding amount of Certificates or the insurable value of such real property. Such policy, or a binding commitment therefor, is to be in a form approved by the County and is to be provided to the Trustee concurrently with the execution and delivery of the Certificates.

Sale or Encumbrance of Leased Property

As long as there are any Outstanding Certificates, and except as otherwise permitted by the Indenture and except as the Lease otherwise specifically requires, the Trustee is not to sell or otherwise dispose of any of the Leased Property unless it receives an Opinion of Counsel upon which it may conclusively rely that such sale or other disposal will not materially adversely affect the rights of the Owners of the Certificates.

Rights of Trustee under the Lease and the Site Lease

The Trustee covenants in the Indenture for the benefit of the Owners that the Trustee will observe and comply with its obligations under the Lease, including but not limited to the provisions of the Lease regarding the conveyance of the Leased Property and the Site Lease, and that the representations made by the Trustee in the Lease and the Site Lease are true. Wherever in the Lease or the Site Lease it is stated

that the Trustee is to be notified or wherever the Lease or the Site Lease gives the Trustee some right or privilege, such part of the Lease or the Site Lease will be as if it were set forth in full in the Indenture.

Defense of Trust Estate

The Trustee is to at all times, to the extent permitted by law, defend, preserve and protect its interest in the Leased Property and the other property or property rights included in the Trust Estate and all the rights of the Owners under the Indenture against all claims and demands of all Persons whomsoever.

Compensation of Trustee

During the Lease Term, the Trustee will be entitled to compensation in accordance with the Lease. In no event will the Trustee be obligated to advance its own funds in order to take any action in its capacity as Trustee under the Indenture. The rights of the Trustee to payments as described under this caption shall be superior to the rights of the Owners with respect to the Trust Estate

Resignation or Replacement of Trustee

(a) The present or any future Trustee may resign by giving written notice to the Owners of the Certificates and the County not less than 30 days before such resignation is to take effect. Such resignation will take effect only upon the appointment of a successor qualified as described in paragraph (d) under this caption; provided, however, that if no successor is appointed within 30 days following the date designated in the notice for the Trustee's resignation to take effect, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor.

(b) The present or any future Trustee may be removed at any time (i) by the County, for any reason upon delivery to the Trustee of an instrument signed by the County Representative and accompanied by a resolution of the Board seeking such removal, provided that the County will not be entitled to remove the Trustee as described in this clause if an Event of Default has occurred and is continuing or if any Event of Nonappropriation has occurred; (ii) if an Event of Default has occurred and is continuing or if an Event of Nonappropriation has occurred, by the Owners of a majority in principal amount of the Certificates Outstanding upon delivery to the Trustee of an instrument or concurrent instruments signed by such Owners or their attorneys in fact duly appointed; or (iii) by any Owner, upon delivery to the Trustee of an instrument signed by such Owner or his or her attorney in fact duly appointed following a determination by a court of competent jurisdiction that the Trustee is not duly performing its obligations under the Indenture or that such removal is in the best interests of the Owners.

(c) In case the present or any future Trustee at any time resigns or is removed or otherwise becomes incapable of acting, a successor may be appointed by the County. The County, upon making such appointment, is to forthwith give notice thereof to each Owner, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. The Owners of a majority in principal amount of the Certificates Outstanding may thereupon act to appoint a successor trustee to such successor appointed by the County, by an instrument or concurrent instruments signed by such Owners, or their attorneys in fact duly appointed. Any successor so appointed by the County is to immediately and without further act be superseded by a successor appointed in the manner above described by the Owners of a majority in principal amount of the Certificates Outstanding.

(d) Every successor is to be a commercial bank with trust powers in good standing, located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, qualified to act under the Indenture, having a capital and

surplus of not less than \$50,000,000. Any successor trustee is to (i) execute, acknowledge and deliver to the then-current trustee an instrument accepting appointment as successor trustee under the Indenture, and as successor to the then current trustee in its capacity as lessee under the Site Lease and lessor under the Lease vested with all the previous rights, title and interest in and to, and is to become responsible for the previous obligations with respect to, the Leased Property and the Trust Estate and thereupon the duties and obligations of the previous trustee are to cease and terminate (ii) become vested with the previous rights, title and interest in, to and under, and is to become responsible for the trustee's obligations under the Indenture, the Site Lease and the Lease, with like effect as if originally named as Trustee in the Indenture. The previous trustee is to, upon the payment of the fees and expenses owed to the previous trustee, execute and deliver to the successor trustee (A) such transfer documents as are necessary to transfer the Trustee's interest in the Leased Property to the successor trustee, (B) an instrument in which the previous trustee resigns as trustee under the Indenture, as lessee under the Site Lease, and as lessor under the Lease, and (C) at the request of the successor trustee, one or more instruments conveying and transferring to such successor, upon the trusts expressed in the Indenture, all the estates, properties, rights, powers and trusts of the previous trustee in the Leased Property, the Indenture, the Lease and the Site Lease in a manner sufficient, in the reasonable judgment of the successor trustee, to duly assign, transfer and deliver to the successor all properties and moneys held by the previous trustee in accordance with the laws of the State. Should any other instrument in writing from the previous trustee be required by any successor for more fully and certainly vesting in and confirming to it the rights, title and interest to be transferred as described under this caption, the previous trustee is to, at the reasonable discretion and at the request of the successor trustee, make, execute, acknowledge and deliver the same to or at the direction of the successor trustee.

(e) The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor under the Indenture, together with all other instruments described under this caption are to be filed and/or recorded by the successor trustee in each recording office, if any, where the Indenture, the Lease and the Site Lease are to have been filed and/or recorded.

Conversion, Consolidation or Merger of Trustee

Any commercial bank with trust powers into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business as a whole is to be the successor of the Trustee under the Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties to the Indenture, anything in the Indenture to the contrary notwithstanding. In case any of the Certificates to be executed and delivered under the Indenture are to have been executed, but not delivered, any successor Trustee may adopt the signature of any predecessor Trustee, and deliver the same as executed; and, in case any of such Certificates is not to have been executed, any successor Trustee may execute such Certificates in the name of such successor Trustee.

Intervention by Trustee

In any judicial proceeding to which the County is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the Owners, the Trustee may intervene on behalf of Owners and is required to do so if requested in writing by the Owners of at least a majority in principal amount of Certificates Outstanding.

Trustee Breach

Any of the following constitutes a Trustee Breach under the Indenture:

(a) Failure to pay the principal of, premium, if any, and interest on any Certificate when due to the extent such failure is not directly caused by an Event of Default or an Event of Nonappropriation;

(b) failure of the Trustee to enforce and diligently pursue any remedy available under the Indenture, subject to the provisions of the Indenture, unless the Trustee has received written advice of counsel that such remedy is not legally available or would cause undue risk to the Trustee or the Owners, and after it has received assurances or indemnification from the Owners satisfactory to it that will be repaid for such action; and

(c) failure by the Trustee to comply with any other provision of the Indenture within 30 days after receiving notice of noncompliance.

Remedies of Owners Upon a Trustee Breach

Subject to the other provisions of the Indenture, upon the occurrence of any Trustee Breach, the Owner of any Certificate may:

(a) commence proceedings in any court of competent jurisdiction to enforce the provisions of the Indenture against the Trustee;

(b) cause the Trustee to be removed and replaced by a successor trustee; and

(c) take any other action at law or in equity that may appear necessary or desirable to enforce the rights of such Owner.

Notice to Owners

If an Event of Default or Event of Nonappropriation occurs of which the Trustee is by the Indenture required to take notice, or if notice of an Event of Default or Event of Nonappropriation is given as provided in in the Indenture, then the Trustee is to, within 30 days, give written notices thereof to the Owners of Certificates then Outstanding, as shown by the certificate register, unless such Event of Default or Event of Nonappropriation has been cured or waived.

Remedies of Trustee Upon the Occurrence of an Event of Default or Event of Nonappropriation

Upon the occurrence of an Event of Default or Event of Nonappropriation:

(a) the Trustee is entitled to apply any moneys in any of the funds or accounts created under the Indenture (except the Rebate Fund and any defeasance escrow accounts established pursuant to the provisions of the Indenture) to the payment of the principal of, premium, if any, and interest on the Certificates when due;

(b) the Trustee may, and at the request of the Owners of a majority in principal amount of the Certificates then Outstanding and upon receipt from the Owners of assurances or indemnification satisfactory to it that it will be repaid for such action, is to, without any further demand or notice, exercise any of the remedies available to it under the Lease; and

(c) the Trustee may take any other action at law or in equity that may appear necessary or desirable to enforce the rights of such Owner.

Limitations Upon Rights and Remedies of Owners

No Owner has any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Lease or the Site Lease, unless (a) an Event of Default, Event of Nonappropriation or event of default by the County under the Site Lease has occurred of which the Trustee has been notified as provided in the Indenture, or of which it is deemed to have notice, and the Owners of not less than a majority in principal amount of Certificates then Outstanding have made written request to the Trustee and have offered satisfactory indemnity to the Trustee pursuant to the Indenture and reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceedings in its own name and the Trustee is to have thereafter failed or refused to do so.

Majority of Owners May Control Proceedings

Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in principal amount of the Certificates then Outstanding have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Lease, the Site Lease or the Indenture, or for the appointment of a receiver, and any other proceedings under the Indenture; provided that such direction is not to be otherwise than in accordance with the provisions of the Indenture.

Trustee to File Proofs of Claim in Receivership, Etc.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the County or the Leased Property, the Trustee will, to the extent permitted by law, be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have claims of the Trustee and of the Owners allowed in such proceedings for the entire amount due and payable on the Certificates under the Indenture, at the date of the institution of such proceedings and for any additional amounts which may become due and payable by it after such date, without prejudice, however, to the right of any Owner to file a claim in its own behalf.

Trustee May Enforce Remedies Without Certificates

The Trustee may enforce its rights and remedies under the Lease, the Site Lease and the Indenture without the possession of any of the Certificates or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Trustee is to be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Owners of the Certificates, and any recovery of judgment is to be for the ratable benefit of the Owners, subject to the provisions of the Indenture.

No Remedy Exclusive

No right or remedy available under the Indenture or otherwise is intended to be exclusive of any other right or remedy, but each and every such right or remedy is to be cumulative and in addition to any other remedy given under the Indenture or now or hereafter existing at law or in equity or by statute.

Waivers

The Trustee may in its discretion waive any Event of Default, Event of Nonappropriation or event of default by the County under the Site Lease and its consequences, and, notwithstanding anything else to the contrary contained in the Indenture, is to do so upon the written request of the Owners of a majority in aggregate principal amount of all the Certificates then Outstanding; provided, however, that an Event of Nonappropriation is not to be waived without the consent of the Owners of 100% of the Certificates then Outstanding as to which the Event of Nonappropriation exists, unless prior to such waiver or rescission, all arrears of interest and all arrears of payments of principal and premium, if any, then due, as the case may be (including interest on all overdue installments at the highest rate due on the Certificates), and all expenses of the Trustee in connection with such Event of Nonappropriation have been paid or provided for. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such Event of Default, Event of Nonappropriation or event of default by the County under the Site Lease have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Trustee, the Owners and the County are to be restored to their former positions and rights under the Indenture respectively, but no such waiver or rescission is to extend to any subsequent or other Event of Default, Event of Nonappropriation or event of default by the County under the Site Lease or impair any right consequent thereon.

Delay or Omission No Waiver

No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any Event of Default, Event of Nonappropriation, event of default by the County under the Site Lease or Trustee Breach will exhaust or impair any such right or power or is to be construed to be a waiver of any such Event of Default, Event of Nonappropriation, event of default by the County under the Site Lease or Trustee Breach, or acquiescence therein; and every power and remedy given by the Indenture may be exercised from time to time and as often as may be deemed expedient.

No Waiver of Default or Breach to Affect Another

No waiver of any Event of Default, Event of Nonappropriation, event of default by the County under the Site Lease or Trustee Breach by the Trustee will extend to or affect any subsequent or any other then existing Event of Default, Event of Nonappropriation, event of default by the County under the Site Lease or Trustee Breach or impair any rights or remedies consequent thereon.

Position of Parties Restored Upon Discontinuance of Proceedings

In case the Trustee or the Owners have proceeded to enforce any right under the Lease, the Site Lease or the Indenture and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely to the Person or Persons enforcing the same, then and in every such case the County, the Trustee and the Owners are to be restored to their former positions and rights under the Indenture with respect to the Trust Estate, and all rights, remedies and powers of the Trustee and the Owners are to continue as if no such proceedings had been taken.

Purchase of Leased Property by Owner; Application of Certificates Toward Purchase Price

Upon the occurrence of an Event of Default or Event of Nonappropriation and the sale or lease of the Leased Property by the Trustee pursuant to the Lease, any Owner may bid for and purchase or lease the Leased Property; and, upon compliance with the terms of sale or lease, may hold, retain and possess and dispose of such property in his, her, its or their own absolute right without further accountability; and any purchaser or lessee at any such sale may, if permitted by law, after allowing for payment of the costs and expenses of the sale, compensation and other charges, in paying purchase or rent money, turn in Certificates then Outstanding in lieu of cash. Upon the happening of any such sale or lease, the Trustee may take any further lawful action with respect to the Leased Property which it deems to be in the best interest of the Owners, including but not limited to the enforcement of all rights and remedies set forth in the Lease, the Site Lease and the Indenture and the taking of all other courses of action permitted in the Indenture, the Site Lease and in the Lease.

Supplemental Indentures Not Requiring Consent of Owners

The Trustee may, at the request of the County, without the consent of, or notice to, the Owners, execute and deliver a Supplemental Indenture for any one or more or all of the following purposes:

- (a) to add to the covenants and agreements of the Trustee contained in the Indenture other covenants and agreements to be thereafter observed by the Trustee;
- (b) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in the Indenture, or to make any provisions with respect to matters arising under the Indenture or for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners;
- (c) to subject to the Indenture additional revenues, properties or collateral (including release and substitution of property permitted under the Lease);
- (d) to effect any change in connection with the preservation of the exclusion from gross income for federal income tax purposes interest on the Certificates; or
- (e) to effect any other changes in the Indenture which, in the opinion of Bond Counsel, do not materially adversely affect the rights of the Owners.

Supplemental Indentures Requiring Consent of Owners

(a) Exclusive of Supplemental Indentures described under the immediately preceding caption, the written consent of the Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding will be required for the execution and delivery by the Trustee of any

Supplemental Indenture; provided, however, that without the consent of the Owners of all the Certificates Outstanding, nothing contained in the Indenture permits, or is to be construed as permitting:

(i) a change in the terms of redemption or maturity of the principal amount of or the interest on any Outstanding Certificate, or a reduction in the principal amount of or premium payable upon any redemption of any Outstanding Certificate or the rate of interest thereon, without the consent of the Owner of such Certificate;

(ii) the deprivation as to the Owner of any Certificate Outstanding of the lien created by the Indenture (other than as originally permitted thereby);

(iii) a privilege or priority of any Certificate or Certificates over any other Certificate or Certificates, except as permitted in the Indenture; or

(iv) a reduction in the percentage of the aggregate principal amount of the Certificates required for consent to any Supplemental Indenture.

(b) If at any time the Trustee proposes to execute and deliver any Supplemental Indenture for any of the purposes described under this caption, the Trustee is to cause notice of the proposed execution and delivery of such Supplemental Indenture to be mailed to the Owners of the Certificates at the addresses last shown on the registration records of the Trustee. Such notice is to briefly set forth the nature of the proposed Supplemental Indenture and is to state that copies thereof are on file at the Operations Center of the Trustee for inspection by all Owners. If, within 60 days or such longer period as is to be prescribed by the Trustee following the mailing of such notice, the Owners of not less than a majority, or, with respect to the matters specified in paragraphs (i) through (iv) of paragraph (a) under this caption, 100%, in aggregate principal amount of the Certificates Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as provided in the Indenture, no Owner will have any right to object to any of the terms and provisions contained in the Indenture, or the operation thereof, or to enjoin or restrain the Trustee from executing the same or from taking any action pursuant to the provisions thereof.

Execution of Supplemental Indenture

Any Supplemental Indenture executed and delivered in accordance with the provisions of the Indenture thereafter forms a part of the Indenture; and all the terms and conditions contained in any such Supplemental Indenture are deemed to be part of the Indenture for any and all purposes. In case of the execution and delivery of any Supplemental Indenture, express reference may be made thereto in the text of the Certificates executed and delivered thereafter, if any, if deemed necessary or desirable by the Trustee. The Trustee is entitled to receive, and is fully protected in relying upon, the Opinion of Counsel, as conclusive evidence that any proposed Supplemental Indenture complies with the provisions of the Indenture and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Certificates.

Amendments of the Lease or the Site Lease Not Requiring Consent of Owners

The Trustee may, without the consent of or notice to the Owners, amend, change or modify the Lease or the Site Lease as may be required:

(a) by the provisions of the Lease, the Site Lease or the Indenture;

- (b) for the purpose of curing any ambiguity or formal defect or omission in the Lease or the Site Lease;
- (c) in order more precisely to identify the Acquired Property, the Site Leased Property or the Leased Property or to add additional or substituted improvements or properties acquired or leased in accordance with the Lease or the Site Lease;
- (d) in order to provide for the addition or substitution of property under the Lease;
- (e) in connection with any Supplemental Indenture permitted by the Indenture;
- (f) to effect any change in connection with the preservation of the exclusion from gross income for federal income tax purposes of interest on the Certificates;
- (g) to effect any change that (i) does not reduce the revenues available to the Trustee from the Lease below the amount required to make all the payments and transfers required by the Indenture, (ii) does not reduce the value of the Leased Property and (iii) does not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Certificates; or
- (h) to effect any other change in the Lease or the Site Lease which, in the opinion of Bond Counsel, does not materially adversely affect the rights of the Owners.

Amendments of the Lease or the Site Lease Requiring Consent of Owners

Except for the amendments, changes or modifications permitted by the Indenture, the Trustee is not to consent to any other amendment, change or modification of the Lease or the Site Lease without notice to and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Certificates Outstanding given and procured as provided in the Indenture. If at any time the County requests the consent of the Trustee to any such proposed amendment, change or modification of the Lease or the Site Lease, the Trustee is to, upon receipt of amounts necessary to pay expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in the Indenture. Such notice is to briefly set forth the nature of such proposed amendment, change or modification and is to state that copies of the instrument embodying the same are on file at the Operations Center designated therein for inspection by all Owners.

Execution of Amendment of the Lease or the Site Lease

As a condition to executing any amendment to the Lease or the Site Lease, the Trustee is entitled to receive and rely upon a written opinion of Bond Counsel to the effect that the execution thereof is authorized or permitted under the Indenture, the Site Lease and the Lease, as applicable, and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Certificates.

Discharge of Indenture

(a) If, when the Certificates secured by the Indenture become due and payable in accordance with their terms or otherwise as provided in the Indenture, the whole amount of the principal of, premium, if any, and interest due and payable upon all of the Certificates is paid, or provision has been made for the payment of the same, together with all rebate payments due to the United States of America, the fees and expenses of the Trustee and all other amounts payable under the Indenture, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the

Trustee to the Owners are to thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee is to transfer and convey to (or to the order of) the County all property then held in trust by the Trustee as described in the Indenture, and the Trustee is to execute such documents as may be reasonably required by the County and is to turn over to (or to the order of) the County any surplus in any fund, account or subaccount created under the Indenture, except any escrow accounts theretofore established as described under this caption.

(b) All or any portion of the Outstanding Certificates is to, prior to the maturity or redemption date thereof, be deemed to have been paid (“defeased”) within the meaning and with the effect expressed in paragraph (a) under this caption if (i) in case such Certificates to be redeemed on any date prior to their maturity, the County has given irrevocable instructions to the Trustee to give notice of redemption of such Certificates on said redemption date, such notice to be given on a date and otherwise in accordance with the provisions of the Indenture, and (ii) there is to have been deposited in trust either moneys in an amount which are sufficient, or Defeasance Securities which do not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held in trust at the same time, are to be sufficient to pay when due the principal of, premium, if any, and interest due and to become due on said Certificates on and prior to the redemption date or maturity date thereof, as the case may be. Neither the Defeasance Securities nor moneys deposited in trust as described under this caption or principal or interest payments on any such Defeasance Securities are to be withdrawn or used for any purpose other than, and are to be held in trust for, the payment of the principal of, premium, if any, and interest on said Certificates; provided any cash received from such principal or interest payments on such Defeasance Securities deposited in trust, if not then needed for such purpose, are to, to the extent practicable, be reinvested in Defeasance Securities of the type described in clause (ii) of this paragraph maturing at the times and in amounts sufficient to pay when due the principal of, premium, if any, and interest to become due on said Certificates on or prior to such redemption date or maturity date thereof, as the case may be. At such time as any Certificates are to be deemed paid as aforesaid, such Certificates will no longer be secured by or entitled to the benefits of the Indenture, except for the purpose of exchange and transfer and any payment from such moneys or Defeasance Securities deposited in trust.

(c) Prior to any discharge of the Indenture pursuant to the provisions of the Indenture or the defeasance of any Certificates pursuant to the provisions of the Indenture becoming effective, there shall have been delivered to the Trustee: (i) a report of a firm of certified public accounts verifying the mathematical correctness of the computations showing the sufficiency of the moneys and amounts payable with respect to the Defeasance Securities deposited in trust as provided in paragraph (b) under this caption to pay when due the principal of, premium, if any, and interest due and to become due on said Certificates on and prior to the redemption date or maturity date thereof; and (ii) an opinion of Bond Counsel, addressed to the Trustee to the effect that all requirements of the Indenture for such defeasance have been complied with and that such discharge or defeasance will not constitute a violation by the Trustee of its tax covenant in the Indenture.

(d) In the event that there is a defeasance of only part of the Certificates of any maturity, the Trustee may institute a system to preserve the identity of the individual Certificates or portions thereof so defeased, regardless of changes in Certificate numbers attributable to transfers and exchanges of Certificates.

Further Assurances and Corrective Instruments

So long as the Indenture is in full force and effect, the Trustee has full power to carry out the acts and agreements provided for in the Indenture and will from time to time, execute, acknowledge and

deliver or cause to be executed, acknowledged and delivered such supplements to the Indenture and such further instruments as may reasonably be requested by the County for correcting any inadequate or incorrect description of the Trust Estate, or for otherwise carrying out the intention of or facilitating the performance of the Indenture.

Financial Obligations of Trustee Limited to Trust Estate

Notwithstanding any other provision of the Indenture, all financial obligations of the Trustee under the Indenture, except those resulting from its negligence or willful misconduct, are limited to the Trust Estate.

LEASE

Payment of Base Rentals

(a) The Lease requires the County to pay Base Rentals, subject only to the provisions of the Lease, including without limitation the provisions of the Lease described under “LEASE—Event of Nonappropriation” and “—Limitations on Obligations of the County” in the body of this Official Statement, from funds legally available for such purpose, directly to the Trustee during the Lease Term in immediately available funds in the amounts and on each of the Base Rental Payment Dates, as the schedule thereof may be modified from time to time; provided, however, that there is to be credited against the amount of Base Rentals payable on any Base Rental Payment Date the amount on deposit in the Certificate Fund representing (i) accrued interest, if any, from the sale of Certificates, (ii) earnings from the investment of moneys in the Certificate Fund, and (iii) moneys delivered to the Trustee by the County or any other Person that are accompanied by instructions to apply the same to the payment of Base Rentals or to deposit the same in the Certificate Fund. Thirty days prior to each Base Rental Payment Date, the Trustee is to notify the County as to the exact amounts that will be credited against the Base Rentals due on such date. If further amounts that are to be credited against Base Rentals accrue during such 30 day period, such amounts are to be carried over to be applied as a reduction of the Base Rentals payable on the next succeeding Base Rental Payment Date.

(b) A portion of each payment of Base Rentals is paid as, and represents payment of, interest, and Exhibit B to the Lease, as from time to time amended and supplemented, sets forth the interest component of each payment of Base Rentals. Upon receipt by the Trustee of each payment of Base Rentals, the Trustee is to apply the amount of each Base Rentals payment in the following manner and order:

(i) FIRST, the amount of such payment of Base Rentals designated and paid as interest under the Lease, as from time to time amended or supplemented, plus the amount of any past due interest on the Certificates, is to be deposited in the Interest Account of the Certificate Fund; and

(ii) SECOND, the remaining portion of such payment of Base Rentals is to be deposited in the Principal Account of the Certificate Fund.

Payment of Additional Rentals

The Lease requires the County to pay Additional Rentals, subject only to the provisions of the Lease, including without limitation the provisions of the Lease described under “LEASE—Event of Nonappropriation” and “—Limitations on Obligations of the County” in the body of this Official Statement and “LEASE—Taxes, Utilities and Insurance” and “—Limitations on Disposition of and

Encumbrances on the Leased Property” in this Appendix, from funds legally available for such purpose, directly to the Persons to which they are owed (which, in the case of payments required to be made to fund the Rebate Fund pursuant to the Indenture, is the Trustee) in immediately available funds in the amounts and on the dates on which they are due.

Unconditional Obligations

The obligation of the County to pay Base Rentals and Additional Rentals during the Lease Term is to be absolute and unconditional, subject only to the provisions of the Lease, including without limitation the provisions of the Lease described under “LEASE—Event of Nonappropriation” and “—Limitations on Obligations of the County” in the body of this Official Statement, and is not to be abated or offset for any reason related to the Leased Property. Notwithstanding any dispute between the County and the Trustee or between the County or the Trustee and any other Person relating to the Leased Property, the County is to, during the Lease Term, make all payments of Base Rentals and Additional Rentals when due; the County is not to withhold any Base Rentals or Additional Rentals payable during the Lease Term pending final resolution of such dispute and is not to assert any right of set-off or counter-claim against its obligation to pay Base Rentals or Additional Rentals, provided, however, that the making of any Base Rental or Additional Rental payment will not constitute a waiver by the County of any rights, claims or defenses which the County may assert; and no action or inaction on the part of the Trustee is to affect the County’s obligation to pay Base Rentals or Additional Rentals during the Lease Term.

Taxes, Utilities and Insurance

(a) Subject to the provisions described in paragraphs (d) and (e) under this caption, the County is required to pay, as Additional Rentals, all of the following expenses with respect to the Leased Property:

(i) all taxes, assessments and other charges lawfully made by any governmental body, provided that any such taxes, assessments or other charges that may lawfully be paid in installments may be paid in installments as such installments are due;

(ii) all gas, water, steam, electricity, heat, power and other utility charges incurred in connection with the Leased Property;

(iii) casualty and property damage insurance with respect to the Leased Property in an amount equal to the lesser of: (A) the principal amount of all Certificates Outstanding or (B) the full replacement value of the Leased Property; and

(iv) public liability insurance with respect to the activities to be undertaken by the County in connection with the Leased Property and the Lease: (A) to the extent such activities result in injuries for which immunity is available under Section 24-10-114, C.R.S. or any successor statute, in an amount not less than the amounts for which the County may be liable to third parties thereunder and (B) for all other activities, in an amount not less than \$1,000,000 per occurrence.

(b) Except for Permitted Encumbrances, the County is not to allow any liens for taxes, assessments, other governmental charges or utility charges to exist with respect to any portion of the Leased Property. If the County first notifies the Trustee of the intention of the County to do so, the County may, however, in good faith contest any such tax, assessment, other governmental charge or utility charge and, in the event of any such contest, may permit the tax, assessment, other governmental

charge or utility charge so contested to remain unpaid during the period of such contest and any appeal therefrom, unless the Trustee notifies the County that, in the opinion of Independent Counsel, whose fees and expenses is to be paid by the County from Additional Rentals appropriated for the Fiscal Year in which such fees and expenses are due, by nonpayment of any such item the interest of the Trustee in the Leased Property will be materially interfered with or endangered or the Leased Property or any portion thereof will be subject to loss or forfeiture, in which event such tax, assessment, other governmental charge or utility charge is to be paid forthwith; provided, however, that such payment is not to constitute a waiver of the right to continue to contest such tax, assessment, other governmental charge or utility charge. At the request of the County, the Trustee will cooperate fully with the County in any such contest.

(c) Subject to the provisions described in paragraphs (d) and (e) under this caption, insurance policies maintained in accordance with the Lease are to meet the following conditions: (i) any insurance policy may have a deductible clause in an amount deemed reasonable by the County; (ii) each insurance policy is to be so written or endorsed as to make losses, if any, payable to the County and the Trustee, as their respective interests may appear and the Trustee is to be an additional named insured; (iii) each insurance policy is to contain a provision to the effect that the insurance company is not to cancel the policy or modify it materially and adversely to the interest of the County or the Trustee without first giving written notice thereof to the County at least 10 days in advance of such cancellation or modification in accordance with the terms of the policy; (iv) each insurance policy is to be provided by a commercial insurer rated "A" by A.M. Best & Company or in the two highest rating categories by S&P; (v) full payment of insurance proceeds under any collision, comprehensive, replacement or casualty insurance policy up to the dollar limit required the Lease in connection with damage to the Leased Property is to, under no circumstance, be contingent on the degree of damage sustained at other property owned or leased by the County; and (vi) each casualty or property damage insurance policy is to explicitly waive any co-insurance penalty. The County shall provide to the Trustee any notice of cancellation or modification delivered to the County by the insurer as provided in clause (iii) of this paragraph (c) at least 5 days in advance of such cancellation or modification.

(d) The County may, in its discretion, provide any of the insurance required by the Lease under blanket insurance policies which insure not only the risks required to be insured under the Lease but also other similar risks. In such case, the Trustee is to be a loss payee and additional named insured.

(e) Notwithstanding any other provision of the Lease described under this caption, the County may, in its discretion, provide any of the insurance required as described under this caption by self-insurance; provided that the County is to maintain reserve levels deemed adequate by an independent insurance consultant or professional risk manager, who is to review such reserve levels no less frequently than annually. Any amounts required to be paid by the County with respect to the Leased Property under any such self-insurance program are to be paid as Additional Rentals under the Lease. In such case, the Trustee is to be a loss payee and additional named insured.

(f) Within 30 days after the commencement of each Fiscal Year during the term of the Lease, the County is to transmit to the Trustee (i) proof of the insurance or self-insurance provided for as described under this caption, and (ii) with respect to self-insurance, the determination by the independent insurance consultant or professional risk manager described in paragraph (e) under this caption that the reserve levels maintained by the County with respect to such self-insurance are adequate. Notwithstanding the foregoing, the Trustee will not have any responsibility for verifying the sufficiency of the insurance or self-insurance required under the Lease.

Maintenance and Operation of Leased Property

The County is required to maintain, preserve and keep the Leased Property, or cause the Leased Property to be maintained, preserved and kept, in good repair, working order and condition, subject to normal wear and tear, is required to operate the Leased Property, or cause the Leased Property to be operated, in an efficient manner and at a reasonable cost, and is to make or cause to be made all necessary and proper repairs, except as otherwise provided in the Lease.

Title to Leased Property

The Leased Property (which, as set forth in the definition thereof in the Lease), constitutes the Trustee's interest in the Acquired Property and the Site Leased Property) is to be held in the name of the Trustee, subject to the terms of the Lease, until the Leased Property is transferred or otherwise disposed of as provided in the Lease, and the County has no right, title or interest in the Leased Property except as expressly set forth in the Lease and in the Site Lease.

Limitations on Disposition of and Encumbrances on Leased Property

Except as otherwise permitted in the Lease and except for Permitted Encumbrances, (i) neither the Trustee nor the County is to sell, assign, transfer or convey any portion of or any interest in the Leased Property or directly or indirectly create, incur or assume any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, and (ii) the County is to promptly take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim.

Notwithstanding the paragraph above, if the County first notifies the Trustee of the intention of the County to do so, the County may in good faith contest any such mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, and in the event of any such contest, may permit the item so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Trustee notifies the County that, in the opinion of Independent Counsel, whose fees are to be paid by the County as Additional Rentals, by failing to discharge or satisfy such item the interest of the Trustee in the Leased Property will be materially interfered with or endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event such item is to be satisfied and discharged forthwith; provided, however, that such satisfaction and discharge is not to constitute a waiver by the County of the right to continue to contest such item. At the request of the County, the Trustee will cooperate fully with the County in any such contest.

Granting of Easements

As long as no Event of Nonappropriation or Event of Default has happened and is continuing, the Trustee is to, at the request of the County:

(a) consent to the grant of easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the real property included in the Leased Property, free from the Lease and any security interest or other encumbrance created under the Lease or under the Indenture;

(b) consent to the release of existing easements, licenses, rights of way and other rights and privileges with respect to the Leased Property, free from the Lease, the Site Lease, and the Indenture and any security interest or other encumbrance created under the Lease or the Indenture, with or without consideration; and

(c) execute and deliver any instrument necessary or appropriate to confirm and grant or release any easement, license, right of way or other grant or privilege described in paragraphs (a) or (b) under this caption, upon receipt of: (i) a copy of the instrument of grant or release; and (ii) a written application signed by the County Representative requesting such instrument and stating that such grant or release will not materially adversely affect the value, or interfere with the effective use or operation, of the Leased Property.

Subleasing by the County

The County may, subject to the provisions of the Lease, sublease or grant the right to use or otherwise permit other Persons to use all or any portion of the Leased Property for other purposes, provided that the Lease, and the obligations of the County under the Lease, are to remain obligations of the County, and the County is to maintain its direct relationship with the Trustee, notwithstanding any such sublease, grant or use.

Modification of Leased Property

The County, at its own expense, may remodel, or make substitutions, additions, modifications or improvements to, the Leased Property, provided that: (a) such remodeling, substitutions, additions, modifications and additions (i) is not to in any way damage the Leased Property as it existed prior thereto and (ii) are to become part of the Leased Property; (b) the value of the Leased Property after such remodeling, substitutions, additions, modifications and additions are to be at least as great as the value of the Leased Property prior thereto; (c) the Leased Property, after such remodeling, substitutions, additions, modifications and additions, are to continue to be used as provided in, and are to otherwise be subject to the terms of, the Lease; and (d) with respect to substitutions, the County has delivered to the Trustee: (i) a certificate of useful life demonstrating that the useful life of the substituted property meets or exceeds the remaining term of the Certificates; (ii) a certification that the essentiality of the substituted property is comparable to that of the released property; (iii) an opinion from Bond Counsel to the effect that such substitution will not cause the County to violate its tax covenant set forth in the Lease; (iv) a certification from the County that there are no prior liens on the substituted property other than liens that would constitute Permitted Encumbrances thereon; and (v) a title insurance policy covering the substituted property and a certification from the County that the release of the released property and substitution of the substituted property will not affect the existing title insurance on the Leased Property.

Damage to, Condemnation of, Material Defect in or Loss of Title to Leased Property

(a) If (i) the Leased Property or an Affected Portion thereof is destroyed or damaged by fire or other casualty, (ii) title to, or the temporary or permanent use of, the Leased Property or an Affected Portion thereof or the estate of the County or the Trustee in the Leased Property or an Affected Portion thereof, is taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, (iii) a breach of warranty or any material defect with respect to the Leased Property or an Affected Portion thereof becomes apparent or (iv) title to or the use of the Leased Property or an Affected Portion thereof is lost by reason of a defect in the title thereto, then, the Net Proceeds of any insurance, performance bond or condemnation award or the Net Proceeds received as a consequence of any default or breach of warranty under any contract relating to the Leased Property is to be deposited into a special trust fund held by the Trustee.

(b) If the costs of the repair, restoration, modification, improvement or replacement of the Leased Property or the Affected Portion thereof, as applicable, following an event described in paragraph (a) under this caption are equal to or less than the Net Proceeds available, such Net Proceeds are to be

used promptly to repair, restore, modify, improve or replace the Leased Property or such Affected Portion thereof, as applicable, and any excess is to be delivered to the County.

(c) If the costs of the repair, restoration, modification, improvement or replacement of the Leased Property or the Affected Portion thereof, as applicable, following an event described in paragraph (a) under this caption are more than the amount of Net Proceeds available, then:

(i) the County may elect either:

(A) to use the Net Proceeds promptly to repair, restore, modify or improve or replace the Leased Property or the Affected Portion thereof, as applicable, with property of a value equal to or in excess of the value of the Leased Property or such Affected Portion, as applicable, and pay (subject to the provisions of the Lease) as Additional Rentals the costs thereof in excess of the amount of the Net Proceeds; or

(B) to pay (subject to the provisions of the Lease) the Purchase Option Price, in which case the Net Proceeds are to be delivered to the County.

(ii) If, by December 31 of the Fiscal Year in the event described in paragraph (a) under this caption occurred (or December 31 of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve or replace the Leased Property or any Affected Portion thereof, as applicable, becomes apparent), the County has not appropriated amounts sufficient to proceed under either clause (i)(A) or (i)(B) of this paragraph, an Event of Nonappropriation is to be deemed to have occurred.

(d) No event described in paragraph (a) under this caption is to affect the obligation of the County to pay Base Rentals or Additional Rentals under the Lease, regardless of whether the Leased Property is repaired, modified, improved or replaced in full or in part, subject, however, to the provisions of the Lease, including without limitation the provisions of the Lease described under “LEASE—Event of Nonappropriation” and “—Limitations on Obligations of the County” in the body of this Official Statement.

Condemnation by the County

The County agrees in the Lease that, to the extent permitted by law, in the event it brings an eminent domain or condemnation proceeding with respect to all or any portion of the Leased Property, the value of the condemned portion of the Leased Property will not be less than the greater of (a) if the Certificates are then subject to redemption under the Indenture, the redemption price of the Certificates that are attributable to the condemned property or (b) if the Certificates are not then subject to redemption, the amount necessary to defease the Certificates attributable to the condemned property to the first date on which the Certificates are subject to redemption under the Indenture.

Personal Property of the County

The County, at its own expense, may install equipment and other personal property in or on the Leased Property, which equipment or other personal property will not become part of the Leased Property unless it is permanently affixed to the Leased Property or removal of it would materially damage the Leased Property, in which case it will become part of the Leased Property.

Conveyance of Leased Property to the County at End of Scheduled Lease Term

If all Base Rentals scheduled to be paid through the end of the Scheduled Lease Term and all Additional Rentals payable through the date of conveyance of the Leased Property to the County as described under this caption have been paid, the Leased Property is to be assigned, transferred and conveyed to the County at the end of the Scheduled Lease Term in the manner described in the Lease without any additional payment by the County.

Compliance with Requirements of Law

On and after the date of the Lease, neither the County nor the Trustee is to knowingly take any action that violates the terms of the Lease or is contrary to the provisions of any Requirement of Law in performing their respective obligations with respect to the Leased Property under the Lease; provided that the Trustee has obligation to monitor or confirm compliance by the County with such covenant. Without limiting the generality of the preceding sentence, the County, in particular, is to take all customary precautions to use the Leased Property in a manner such that (a) the Leased Property at all times is operated in compliance with all Requirements of Law; (b) all permits required by Requirements of Law in respect of the County's use of the Leased Property are obtained, maintained in full force and effect and complied with; (c) there is to be no hazardous substance, pollutant or contaminant (as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. § 9601, et seq., and any applicable state law or regulations promulgated under either), solid or hazardous waste (as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq., and any applicable state law or regulations promulgated under either), special waste, petroleum or petroleum derived substance, radioactive material or waste, polychlorinated biphenyls, asbestos or any constituent of any of the foregoing located on, in or under the Leased Property in violation of any Requirements of Law; (d) there is to be no disposal of any of the items referred to in clause (c) on, from, into or out of the Leased Property in violation of any Requirements of Law; and (e) there is to be no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing or dispersing of any of the items referred to in clause (c) into the indoor or outdoor environment from, into or out of the Leased Property including but not limited to the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Leased Property or the abandonment or discard of barrels, containers or other open or closed receptacles containing any such items from, into or out of the Leased Property in violation of any Requirements of Law.

Participation in Legal Actions

At the request of and at the cost of the County (payable as an Additional Rental under the Lease), the Trustee is to join and cooperate fully in any legal action: in which the County asserts its right to the enjoyment of the Leased Property; that involves the imposition of any charges, costs or other obligations or liabilities on or with respect to the Leased Property or the County's enjoyment of the Leased Property for which the County is responsible under the Lease; or that involves the imposition of any charges, costs or other obligations with respect to the County's execution, delivery and performance of its obligations under the Lease.

At the request of the Trustee and upon a determination by the County that such action is in the best interests of the County, the County is to, at the cost of the County (payable as an Additional Rental under the Lease), join and cooperate fully in any legal action: in which the Trustee asserts its ownership of or interest in the Leased Property; that involves the imposition of any charges, costs or other obligations on or with respect to the Leased Property for which the Trustee is responsible under the

Lease; or that involves the imposition of any charges, costs or other obligations with respect to the execution and delivery of the Lease by the Trustee or the performance of its obligations under the Lease.

Tax Covenant of the County

The County will not use or permit others to use the Leased Property in any manner that would cause interest on the Certificates to be included in gross income for federal income tax purposes or to be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations (except, with respect to corporations, as such interest is required to be taken into account in determining “adjusted current earnings” for the purpose of computing the alternative minimum tax imposed on such corporations).

Payment of Fees and Expenses of the Trustee

The County is required to pay as Additional Rentals the reasonable fees and expenses of the Trustee (subject to any agreement with the Trustee limiting the amount of such fees and expenses) in connection with the Leased Property, the Project, the Lease, the Site Lease, the Indenture, the Certificates or any matter related thereto, including, but not limited to, costs of defending any claim or action brought against the Trustee or its directors or officers (other than claims or actions brought by the County) relating to the foregoing, excepting, however, any liability for any action constituting willful or wanton misconduct of the Trustee or its directors or officers. The Trustee is entitled to payment of or reimbursement for reasonable fees for its ordinary services rendered under the Lease (which compensation is not to be limited by any provision of law in regard to the compensation of a trustee of an express trust) and all advances, agent and counsel fees and other ordinary expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services and, in the event that it should become necessary for the Trustee to perform extraordinary services, the Trustee is entitled to reasonable additional compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the negligence or willful misconduct of the Trustee, it is not entitled to compensation or reimbursement therefore.

Payments to Rebate Fund

The County is required to pay to the Trustee as Additional Rentals all amounts required to be deposited into the Rebate Fund as and when required by the Indenture.

Investment of Funds

By authorizing the execution and delivery of the Lease, the County specifically authorizes the investment of moneys held by the Trustee in Permitted Investments (as defined in the Indenture) where the period from the date of purchase thereof to the maturity date is in excess of five years.

The County is not to direct the Trustee pursuant to the Indenture to make any deposit or investment of any moneys in any fund or account created under the Indenture which is to interfere with or prevent withdrawals for payment of the Certificates.

The County is not to direct the Trustee to make any deposit or investment in violation of its covenant in the Lease.

Waivers

The Trustee may waive any Event of Default under the Lease and its consequences. In the event that any agreement contained in the Lease should be breached by either party and thereafter waived by the other party, such waiver is to be limited to the particular breach so waived and is not to be deemed to waive any other breach under the Lease.

In the event the Trustee waives any Event of Default described in paragraph (a) under the caption “LEASE—Events of Default and Remedies under the Lease” in the body of this Official Statement, any subsequent payment by the County of Base Rentals then due and owing is to be paid to the Trustee to be applied in accordance with the terms of the Indenture.

Trustee’s Rights, Title and Interest in Trust for Benefit of Owners; Successor Trustee; Assignment by Trustee

The Trustee is to hold its interest in the Leased Property and its rights, title and interest in, to and under the Lease (other than the Trustee’s rights to payment of its fees and expenses and the rights of third parties to Additional Rentals payable to them) in trust for the benefit of the Owners pursuant to the Indenture. Any successor trustee under the Indenture is to automatically succeed to the previous trustee’s interest in the Leased Property and the previous trustee’s rights, title, interest and obligations in, to and under the Lease. The Trustee is not to, except as described under this caption or as otherwise provided elsewhere in the Lease or in the Indenture, assign, convey or otherwise transfer to any Person any of the Trustee’s interest in the Leased Property or the Trustee’s rights, title or interest in, to or under the Lease.

Transfer of the County’s Interest in Lease and Leased Property Prohibited

(a) Except as otherwise permitted by the Lease with respect to subleases, grants or uses of the Leased Property or paragraph (b) under this caption with respect to transfers of the Leased Property following termination of the Lease or as otherwise required by law, the County is not to sublease, assign, encumber, convey or otherwise transfer all or any portion of its interest in the Lease or the Leased Property to any Person, whether in existence as of the date of the Lease or organized thereafter.

(b) Notwithstanding paragraph (a) under this caption, the County may transfer its interest in the Leased Property after, and only after, the Lease has terminated and the Leased Property has been conveyed to the County pursuant to the Lease following the payment of the Purchase Option Price or all Base Rentals scheduled to be paid through the end of the Scheduled Lease Term, together with all other amounts required to be paid as a condition of such conveyance pursuant to the Lease, and the payment or defeasance of all the Certificates in accordance with the Indenture.

Acknowledgement of Indenture

In the Lease, the County states that it has received a copy of, and acknowledges the terms of, the Indenture.

Amendments, Changes and Modifications

Except as otherwise provided in the Lease, the Lease may not be effectively amended, changed, modified or altered other than by the execution of a subsequent document in the same manner as the Lease is executed.

SITE LEASE

Site Lease and Terms

Pursuant to the Site Lease, the County thereby leases to the Trustee and the Trustee thereby leases from the County, on the terms and conditions hereinafter set forth, the Site Leased Property, subject to Permitted Encumbrances (as defined in the Lease).

The term of the Site Lease is to commence on the date of the Site Lease and end on December 1, 2035 (the "Site Lease Termination Date"); provided that, if prior to the Site Lease Termination Date, the interest of the Trustee in the Site Leased Property has been conveyed to the County pursuant to provisions of the Lease relating to the County's purchase option, then the term of the Site Lease will end on the date of such conveyance.

Purpose

The Trustee is to use the Site Leased Property for the purpose of subletting the same to the County pursuant to the Lease; provided, that upon the occurrence of an Event of Nonappropriation or an Event of Default under the Lease or Event of Default under the Indenture, the County is to vacate the Site Leased Property as provided in the Lease, the Trustee may exercise the remedies provided in the Lease and the Indenture and the Trustee may use or sublet the Site Leased Property for any lawful purposes.

Owner in Fee

The County covenants in the Site Lease that it is the owner in fee of the Site Leased Property, subject only to Permitted Encumbrances.

Assignments and Subleases

Unless an Event of Nonappropriation or an Event of Default under the Lease has occurred and except as may otherwise be provided in the Lease, the Trustee may not assign its rights under the Site Lease or sublet the Site Leased Property without the written consent of the County.

In the event that (a) the Lease is terminated for any reason and (b) the Site Lease is not terminated, the Trustee may sublease the Site Leased Property or any portion thereof, or sell or assign its interest in the Site Lease. Except as provided in the Site Lease, the County and the Trustee agree therein that, except as may otherwise be provided in the Lease, neither the County nor the Trustee will sell, mortgage or encumber the Site Leased Property or any portion thereof during the term of the Site Lease.

Right of Entry

The County reserves the right in the Site Lease, so long as no Event of Nonappropriation or Event of Default has occurred under the Lease, for any of its duly authorized representatives to enter upon the Site Leased Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Termination

The Trustee agrees, upon the termination of the Site Lease, to quit and surrender the Site Leased Property to the County, and agrees therein that any fixtures, permanent improvements and structures existing as a part of the Site Leased Property at the time of the termination of the Site Lease are to remain

thereon and all legal interests of the Trustee thereto are to vest in the County. The Trustee and any sublessee or assignee is to execute and deliver, upon request by the County, any instrument of transfer, conveyance or release necessary or appropriate to confirm the vesting of such legal interests in the County.

Default

In the event the Trustee is in default in the performance of any obligation on its part to be performed under the terms of the Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Trustee, the County may exercise any and all remedies granted by law, except that no merger of the Site Lease and the Lease is to be deemed to occur as a result thereof and except for any other exceptions enumerated in the Lease. In addition, so long as the Lease is in effect, the Site Lease is not to be terminated except as described in the Site Lease.

Quiet Enjoyment and Acknowledgment of Ownership

The Trustee at all times during the term of the Site Lease is to peaceably and quietly have, hold and enjoy the Site Leased Property, subject to the provisions of the Lease, and the County acknowledges in the Site Lease that the Trustee is to have a leasehold interest in the Site Leased Property, subject to the Lease.

Waiver of Personal Liability

All liabilities under the Site Lease on the part of the Trustee are solely liabilities of the Trustee, and the County releases each and every, member, director, employee and officer of the Trustee of and from any personal or individual liability under the Site Lease. No member, director, employee or officer of the Trustee is at any time or under any circumstances to be individually or personally liable under the Site Lease for anything done or omitted to be done by the Trustee under the Site Lease.

Taxes; Maintenance; Insurance

During the Lease Term of the Lease and in accordance with the provisions of the Lease, the County covenants and agrees in the Site Lease to perform its obligations under the Lease with respect to the payment of any and all assessments of any kind or character and all taxes levied or assessed upon the Site Leased Property, and all maintenance costs, insurance premiums and costs and utility charges in connection with the Site Leased Property, subject to the terms of the Lease.

In the event that (a) the Lease is terminated for any reason, (b) the Site Lease is not terminated and (c) the Trustee subleases all or any portion of the Site Leased Property or sells an assignment of its interest in the Site Lease, the Trustee or any sublessee or assignee of the Site Leased Property is to, solely from the proceeds of such leasing or sale, obtain and keep in force all insurance that it is required to maintain under the Lease, pay or cause to be paid when due all taxes and assessments imposed thereon and maintain the Site Leased Property in good condition.

Damage, Destruction or Condemnation

The provisions of the Lease govern with respect to any damage, destruction or condemnation of the Site Leased Property during the Lease Term of the Lease. In the event that (a) the Lease is terminated for any reason and (b) the Site Lease is not terminated and (c) either (i) the Site Leased Property or any portion thereof is destroyed (in whole or in part) or damaged by fire or other casualty, or (ii) title to, or the temporary or permanent use of the Site Leased Property or any portion thereof or the estate of the County,

the Trustee or any sublessee or assignee of the Trustee in the Site Leased Property or any portion thereof, is taken under the exercise of the power of eminent domain, or (iii) breach of warranty or any material defect with respect to the Site Leased Property becomes apparent, or (iv) title to or the use of all or any portion of the Site Leased Property is lost by reason of defect in the title thereto, the Trustee or any sublessee or assignee of the Trustee is to cause any Net Proceeds of any insurance, performance bonds, condemnation award or any Net Proceeds received as a consequence of default or breach of warranty under any contract relating to the Site Leased Property to be applied in accordance with the provisions of the Lease.

Compliance with Requirements of Law

To the best knowledge of the County: (a) the Site Leased Property has at all times been operated in substantial compliance with all Requirements of Law; (b) all permits required by Requirements of Law in respect of the Site Leased Property have been obtained and are in full force and effect and the County is in substantial compliance with the material terms and conditions of such permits; (c) there is no pending litigation, investigation, administrative or other proceeding of any kind before or by any governmental authority or other Person relating to, or alleging, any violation of any Requirements of Law in connection with the Site Leased Property and there are no grounds on which any such litigation, investigation or proceedings might be commenced; and (d) the Site Leased Property is not subject to any judgment, injunction, writ, order or agreement respecting any Requirements of Law.

No Merger

The County and the Trustee intend that the legal doctrine of merger is to have no application to the Site Lease and that neither the execution and delivery of the Lease by the Trustee and the County nor the exercise of any remedies under the Site Lease or the Lease is to operate to terminate or extinguish the Site Lease or the Lease, except as specifically provided therein.

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

SOURCES AND USES OF FUNDS

**BOULDER COUNTY, COLORADO
 CERTIFICATES OF PARTICIPATION, SERIES 2020A & TAXABLE SERIES 2020B
 (HOUSING AND HUMAN SERVICE BUILDING AND PUBLIC WORKS PROJECTS)
 Assumes 'AA+' Rating, Non-BQ, 15-Year Term, 12/1/30 Par Call
 [Preliminary - For Discussion Only]**

Dated Date 06/15/2020
 Delivery Date 06/15/2020

Sources:	Tax-Exempt 2020A Certificates	Taxable 2020B Certificates	Total
Certificate Proceeds:			
Par Amount	24,130,000.00	10,080,000.00	34,210,000.00
	<u>24,130,000.00</u>	<u>10,080,000.00</u>	<u>34,210,000.00</u>

Uses:	Tax-Exempt 2020A Certificates	Taxable 2020B Certificates	Total
Project Fund Deposits:			
Lafayette Land Purchase	12,751,275.00		12,751,275.00
Lafayette Tenant Finish	9,258,714.00		9,258,714.00
BOCC Hearing Room & 3rd Floor Renovation	1,635,495.00		1,635,495.00
Compost Processing Station		7,000,000.00	7,000,000.00
Fiber Line Automation		2,875,000.00	2,875,000.00
	<u>23,645,484.00</u>	<u>9,875,000.00</u>	<u>33,520,484.00</u>
Cost of Issuance:			
Cost of Issuance (2%) (est.)	482,600.00	201,600.00	684,200.00
Other Uses of Funds:			
Rounding Amount	1,916.00	3,400.00	5,316.00
	<u>24,130,000.00</u>	<u>10,080,000.00</u>	<u>34,210,000.00</u>