



BRECKENRIDGE TOWN COUNCIL WORK SESSION

Tuesday, January 26, 2016; 3:00 PM

Town Hall Auditorium

ESTIMATED TIMES: *The times indicated are intended only as a guide. They are at the discretion of the Mayor, depending on the length of the discussion, and are subject to change.*

3:00-3:15pm	I	<u>PLANNING COMMISSION DECISIONS</u>	2
3:15-3:45pm	II	<u>LEGISLATIVE REVIEW*</u>	
		Marijuana Authority Changes	11
		Landmarking Ordinance (Lot 7, Block 7, Yingling and Mickles Subdivision)	22
		Landmarking Ordinance (Lot 8A, Block 7, Yingling and Mickles Subdivision)	25
		Certificates of Participation Ordinance	28
		Resolution for 2015 Budget Appropriations	107
		Resolution for 2015 Budget Rollovers and 2016 Appropriations	113
3:45-4:30pm	III	<u>MANAGERS REPORT</u>	
		Public Projects Update	114
		Housing/Childcare Update	
		Committee Reports	117
		Financials	120
		Council Goals - Draft 1.19.16	124
4:30-5:15pm	IV	<u>OTHER</u>	
		Council Benefit Changes	129
		BTO Recommendations for Board of Director Appointments	
		Update on Recreation Pool/Spa Chemical Usage	130
5:15-5:45pm	V	<u>EXECUTIVE SESSION - NEGOTIATIONS</u>	
6pm	VI	<u>SNOW SCULPTURE RECEPTION (6:00PM - OLD MASONIC HALL)</u>	

Note: Public hearings are not held during Town Council Work Sessions. The public is invited to attend the Work Session and listen to the Council's discussion. However, the Council is not required to take public comments during Work Sessions. At the discretion of the Council, public comment may be allowed if time permits and, if allowed, public comment may be limited. The Town Council may make a Final Decision on any item listed on the agenda, regardless of whether it is listed as an action item. The public will be excluded from any portion of the Work Session during which an Executive Session is held. Report of the Town Manager; Report of Mayor and Council members; Scheduled Meetings and Other Matters are topics listed on the 7:30 pm Town Council Agenda. If time permits at the afternoon work session, the Mayor and Council may discuss these items.

MEMORANDUM

To: Town Council

From: Peter Grosshuesch, Director of Community Development

Date: January 20, 2016

Re: Planning Commission Decisions of the January 19, 2016, Meeting.

DECISIONS FROM THE PLANNING COMMISSION AGENDA OF January 19, 2016:

CLASS C APPLICATIONS:

1) Mendez Addition (CK) PL-2015-0526, 211 North Gold Flake Terrace
Addition to an existing, 3,803 sq. ft. single family residence to create a total of 4 bedrooms, 4.5 bathrooms, accessory apartment, 7,236 sq. ft. of density and 8,314 sq. ft. of mass for an F.A.R. of 1:4.68.
Approved.

CLASS B APPLICATIONS: None.

CLASS A APPLICATIONS:

1) Grand Colorado at Peak 8 East Building (MM) PL-2015-0215, 1595 Ski Hill Road
Construct a 105 unit (units may be combined into 2 and 4 bedroom lock-offs) interval ownership resort condominium at the base of Peak 8 ski area with associated amenities, surface and underground parking.
Approved.

TOWN PROJECT HEARINGS: None.

OTHER: None.



Town of Breckenridge and Summit County governments assume no responsibility for the accuracy of the data, and use of the product for any purpose is at user's sole risk.

Breckenridge South

printed 11/24/2015



PLANNING COMMISSION MEETING

The meeting was called to order at 7:00 pm

ROLL CALL

Kate Christopher Ron Schuman Dan Schroder
Jim Lamb Gretchen Dudney Christie Mathews-Leidal
Dave Pringle arrived at 7: 04 pm
Wendy Wolfe, Town Council Liaison

APPROVAL OF MINUTES

Ms. Leidal: Please change the sentence on page 5 of the minutes. My sentence was incomplete. It says “when they put density on this site.” Please add “was there a 1,600 square foot multiplier for the duplex?” to finish the sentence.

Mr. Pringle noted at the end of the meeting that his statement on page 2 of the minutes ended with the initial question. It appears that there is an extra parenthesis in the middle of Mr. Kulick’s statement, making it appear Mr. Pringle continued. Please remove the extra parenthesis as the comment is all attributable to Mr. Kulick.

With no other changes, the January 5, 2016, Planning Commission Minutes were approved as presented.

APPROVAL OF AGENDA

With no changes, the January 19, 2016, Planning Commission Agenda was approved as presented.

CONSENT CALENDAR:

1) Mendez Addition (CK) PL-2015-0526; 211 North Gold Flake Terrace

With no requests for call up, the consent calendar was approved as presented.

TOWN COUNCIL REPORT:

Ms. Wolfe:

- Ok, so a couple of things in our last meeting. We have taken steps to get marijuana licensing authority attached to the responsibilities of the liquor authority. It will take a little work with Tim Berry for the Liquor Licensing Authority to learn all of the ins and outs of marijuana licensing. It will take some time, but it makes a lot of sense. It is the best place to have it reside. It had previously been up to Tim Gagen all by himself.
- Also, we are making good progress on an intergovernmental agreement (IGA) with Summit County moving forward with Huron Landing (26 rental units on County Road 450). Planning on breaking ground in the spring.
- We are going to take a look at the Welcome Center again. It has had some updates but has not had that once over look to determine what can be done to help our visitors over the next 10 years. Holistic looks. How to make that truly one stop shopping for people to come in and find out about what they can do in Breckenridge as far as arts, open space etc. This is exciting and good timing.
- Also, we had the call up hearing on the Peak 7 & 8 Amended Master Plan where the 200 parking spaces are going to be. That was quickly explained and with that, it only took a few moments to move forward. It is back in your court this evening. (Mr. Pringle: Are you comfortable with the parking deck at the stables lot?) There are places in several spots. (Mr. Mosher: Surface lots at Peak 7 all accounted for.) (Mr. Mike Dudick, Breckenridge Grand Vacations: Any shortfall will be made up on the admin site. 68 turned into 65 at construction; adding the extra required spaces at the admin site.) (Mr. Mosher: Ski areas keep the parking at two locations.)

FINAL HEARINGS:

1) Grand Colorado Peak 8 East Building (MM) PL-2015-0215, 1595 Ski Hill Road

Mr. Mosher presented the final hearing proposal to construct a 105 unit (units may be combined into 2 and 4 bedroom lock-offs) interval ownership resort condominium at the base of Peak 8 ski area with associated amenities, surface and underground parking. Additional off-site parking is proposed at the Grand Colorado at Peak 8 Building (under construction to the west) and over the existing Stables Parking Lot to the north. Reconstruction of the portion of Ski Hill Road right of way fronting this development and the Grand Colorado at Peak 8 (currently under construction) is also proposed with this application. This permit would approve the architecture for the Stables Parking Lot and the retaining wall associated with the reconstruction of Ski Hill Road. A separate permit that includes PMA variances for these improvements will be reviewed separately. The parking structures will come back another time.

The Town Council approved a Development Agreement for this proposal on July 14, 2015. The 6th Amendment to the Amended Peak 7 & 8 Master Plan was approved by Town Council on January 12, 2016. Separate permits will be processed to create a resubdivision for this property and to review any extensions or updates to the existing Sprung Structures. Density and mass are below what was allowed with the Development Agreement.

Changes since the September 15, 2015 Planning Commission 2nd Preliminary Hearing

1. The bus lane was moved away from gondola to increase safety clearances.
2. The pedestrian area was enlarged at the transit plaza (at the garden level).
3. The transit plaza grading was adjusted to eliminate steps within plaza.
4. A freestanding pedestrian shelter was added at bus waiting area.
5. A guard shack was added at BSR short term parking to control access.
6. The octagonal building form (at the plaza level) was reduced in size.
7. The plaza was enlarged between the gondola terminal and edge of snow area.
8. The location of BSR guest services, coffee shop and BGV amenities were adjusted.
9. The fire table at the plaza was relocated to enhance pedestrian circulation.
10. Stone chimney elements were added to east side of building.
11. The maximum building height was increased from 68'-1" to 71'-9 1/8" (an increase of 3-8 1/8").
12. A Condition of Approval requiring a striped lighted pedestrian crosswalk at the Stables Parking Lot across Ski Hill Road has been added.
13. Timing for the removal of the temporary structures at the base area has been added as a Condition of Approval.
14. There is 3,500 square feet of deed restricted employee housing proposed within the Upper Blue Basin.

Point Analysis (Section 9-1-17-3): At this final review, staff has found the following:

Negative sixteen (-16) points are incurred for:

- Policy 6/R, Building Height: Negative ten (-10) for exceeding the recommended height by more than one-half story (68'-1")
- Policy 33/R, Energy Conservation: Negative three (-3) for heating all outdoor drives and plazas
- Policy 33/R, Energy Conservation: Negative three (-3) for three exterior gas fireplace pits

Positive twenty eight (+28) points are awarded for:

- Policy 6/R, Building Height: Positive one (+1) for providing density within the roof forms
- Policy 6/R, Building Height: Positive one (+1) for providing roof forms stepping down at edges
- Policy 15/R, Refuse: Positive one (+1) for having the refuse and recycling located inside the primary building
- Policy 18/R, Parking: Positive two (+2) for locating roughly 50% of the parking out of public view
- Policy 20/R, Recreational Facilities: Positive six (+6) for providing public use Ice Skating Rink

- Policy 22/R, Landscaping: Positive two (+2) for meeting the landscaping requirements for positive points
- Policy 24/R, Social Community: Positive six (+6) for greatly exceeding the required amenities
- Policy 25/R, Transit: Positive four (+4) for permanent, year-round, motorized transit system for use by residents and guests
- Policy 33/R, Energy Conservation – Renewable Energy Sources: Positive five (+5) for providing a 45% annual overall building energy savings compared to the baseline system

This shows a total passing score of positive twelve (+12) points

Staff received comment from public on traffic issues in front of sprung structures. No parking sign and delivery trucks and vehicles stopped in front creating one lane of traffic. Staff will review this issue in greater detail with the update to Ski Hill Road. Extra parking on site and off site. Some surface parking. 200 parking spaces agreement has been approved via the master plan as Ms. Wolfe noted in her update. Restrictions on passholders fees etc. No negative points on employee housing as the Applicant is providing slightly above the requirement. Infrastructure raising Ski Hill Road: digging up sewer and water. Everybody looking forward to this happening as it was part of the original master plan. All ski area functions can be relocated to this building (kids castle, sprung structures, etc.). All of those buildings will come down and be encompassed in this new building.

The applicants and agent have worked closely with staff to address the concerns of the Planning Commission and Staff to achieve the result of this report. Staff had the following questions for the Commission:

1. Staff is showing negative ten (-10) points for the height overage, positive one (+1) point for placing density in the roof forms and positive one (+1) point for the building forms stepping down at the edges. Did the Commission agree with the two positive points?
2. Would the Commission support awarding positive two (+2) points for the proposed landscaping?
3. Would the Commission support awarding positive six (+6) points for the added amenities for this proposal?
4. The Applicants are seeking positive six (+6) points for the Ice Skating Rink. This has been reflected in the presented Point Analysis. Did the Commission concur?

The Planning Staff recommended approval of the presented Point Analysis for the Grand Colorado at Peak 8 East Building, PL-2015-0215, showing a passing score of positive twelve (+12) points.

The Planning Staff recommended approval of the Grand Colorado at Peak 8 East Building, PL-2015-0215, with the presented findings and conditions.

Commissioner Questions / Comments:

- Mr. Pringle: With respect to parking 200 spaces, are they going to be for any day skier? (Mr. Mosher: Defined as “winter recreational visitor”. Essentially passholders; you can get a pass, you can pay there will be some fee or parking pass associated with using the parking.) Are they going to be viable for the public? How will people know which specific spaces are available? (Mr. Mosher: Not just certain spaces in each lot; all of the spaces in the identified lots at Peak 7 and 8 are for this use.) All are available for day skiers? (Mr. Mosher: “winter recreational visitor”. Ski Area has about 6 extra identified at Crystal Peak Lodge or the Administration Lot.) That is part of the master plan? (Mr. Mosher: Yes. Part of the master plan. We don’t want to see 200 vehicles going up Ski Hill Road at once as free parking.)
- Ms. Dudney: On the skating rink, could you talk about rationale of 3 versus 6 points? (Mr. Mosher: The Applicant will address that.) All of precedents are three points and they are Town properties. (Mr. Mosher: The Nordic Center Lodge is precedent for private property. Let the Applicants do their presentation.)

Mr. Schuman: No questions. I am satisfied with the parking.

Applicant Presentation: Mr. Mike Dudick, Breckenridge Grand Vacations, and Mr. Matthew Stais, Matthew A. Stais Architects:

Mr. Dudick: Spaces in front of One Ski Hill Place; these don't count. These over here (indicated on plan) are operational, for check in. 21 at gondola turn station, 66 and 61 in deck, will not be free at any point, should not be free at is it is the most expensive real estate in town. Uphill skier parking is free prior to 8:30am. (Ms. Christopher: Do they have to leave at a certain time?) Yes, they do; at 8:30am. More clarity for you: we are very close to the 200 spaces with the various lots. Working with Rick Holman and Tim Berry, we feel we have accomplished what was required by the parking agreement and the Master Plan: of the 2,500 spaces, 200 are at the base of Peaks 7 and 8. Having some clarity on these agreements is a good thing. (Mr. Pringle: We save a lot of arguments for later.) Yes, it saves personal interpretation going on later.

Mr. Dudick showed and noted that the PowerPoint was mostly for the benefit of Ms. Leidal. Mr. Stais will pick up anything I butcher. We received positive twelve (+12) points via the staff report. Employee housing: we were negative ten (-10). We helped create some of the employee housing issues in town. I didn't feel comfortable coming in at positive two (+2) passing points with the housing impacts our company creates. Basically it cost us \$12,000 per employee housing point to get us from negative ten (-10) to zero (0). What we have agreed to do is to get 3,500 square feet of employee housing and deed restrict it. We are not going hoping to buy two Baldy Mountain Townhomes and then flip them. I would rather write a check to the Housing Authority to have a development that is more meaningful. The right thing for us to do is to get the employee housing points to zero (0). I wanted to set an example for other developers. This is voluntary but necessary. I have another pontification on energy. I want to thank Mr. Mosher noting that the heating of public surfaces for safety of the public is zero (0) points. Thank you. Policy consideration: maybe there should be a proportion relevant to the square footage of the building not a flat base number. The amount of private heated space for this development is less than 3% of the total. Building height: Showed difference between mass of previously approved 804 building and this building tonight looking down from the ski area. The new building is stepped back quite a bit improving the view corridor to the slopes. Showed the stepping back of the buildings from Ski Hill Road view as well. Landscaping: We think we deserve positive two (+2). Current Grand Colorado at Peak 8 (under construction) building received positive two (+2). The east building is 30% smaller, but we have similar amount (scope and count) of landscaping as on the first building and larger sizes. Amenities and social community: I call these "guest experience". We are not building a new lobby. That is the other building. Pools, hot tubs, media labs, computer areas: add and to maintain and preserve extra elbow room and keeping the extra space as promised to our guests. Guest experience amenities are proportionate; six times greater than required by code. Required 2,107 square feet and building over 13,000. Ice Rink: Precedent is Stephen C. West, but this is highly more visible to the public. At the Stephen C. West, you have to know where you are going. Even though ours is smaller, it has higher visual and social impact. Pinewood 2 got positive three (+3) points for a single track trail. Our rink will be open to public in winter months with nominal charges. After 5pm, new Stables Lot will be open to public to access the public skating lot at no charge. (Ms. Christopher: Will it be lit?) Yes. Not open in the summer time; waste of energy. Schedule: We have had a tumultuous 3 months in our company as you all know. We have to step back and see what is practical. We still have many things unsettled personally and within the company that still have to get settled. Most practical: building Ski Hill Road this summer. Building demo and mass excavation spring, summer and fall of 2017. Decking of stables lot summer of 2017. Road is a huge project. Here is private company building a public right of way. We will go vertical in spring of 2018. Identical to what we did for Grand Colorado Peak 8. Same thing, just kicking back a year. (Mr. Stais: One thing about Ski Hill Road, it will enable that to be done before building starts which changes the access point to create much more safety.) (Ms. Dudney: Grand Colorado Peak 8 timing?) 1st phase this November. Amenities next spring. Final phase 2018. (Mr. Stais: We want to have road substantially complete.) It's a big project. A lot of gear underneath that road that is 50 years old. (Ms. Dudney: That will take a year?) Planning that it will take a summer. Not a

long run but complicated to get it done. Get goofy knob fixed to make it safer. Town staff asked for crosswalk installed, striped and lit. We agreed. Showed view of construction with existing this past summer, sprung structure during construction and removal of spring structure.

Commissioner Questions / Comments:

- Mr. Pringle: Are we to draw any distinction in here where you mentioned visitor amenities skier dropoff lockers for visitors, day visitors and guests who are registered in hotels or in your units, is that fair, is there a distinction there? (Mr. Dudick: You can buy a time share and use it or deposit and go to Hawaii or put in rental pool. There might be visitors from the rental pool. A large population uses our property. Anybody that secures a unit is a guest of Grand Colorado and can use the amenities.) "Visitor" is highlighted in parts of the staff report. The day visitor that will come for the day to use amenities, is that guest registered to stay? (Mr. Dudick: There can be a day visitor to come use the ice rink. They would have to be an owner or a paid user of a unit with me to use the spa, other amenities etc. A visitor can mean a person using the ice rink or a person renting to stay at the building to use the amenities.) In the report we talk about "visitor" amenities. Then we talk about pool, theater being "guest" amenities; is there a distinction between the two? (Mr. Dudick: If you are using the amenities inside the unit, you would need to pay BGV for access.)
- Ms. Puester: I want to put on the record regarding Ms. Mathews-Leidal. Christie, you have read the past minutes and listened to the meeting recording?
- Ms. Leidal: Yes, I read both staff reports listened to the audio of the previous hearings regarding this application.

Ms. Christopher opened the hearing to public comment.

Mr. Richard Himmelstein, 19 Peak Eight Court: If you look at the Grand Colorado West between the two buildings that is my house there. Regarding the 200 parking spaces: Applicant needs that number; I know that 200 was just an arbitrary number. I have cars that come in my circle and wait to pick up people. If I could wave a magic wand I would say put all the 200 parking spaces at one location so many different locations will cause cars to circle around looking for spots. Recommend Planning staff talk to Council and reduce the amount. I think they can.

Where my house is, lots of people walk from Ski Watch. They often walk 4 to 5 abreast across our road. There is probably double the steepness of Ski Hill Road on Ski Watch Drive. Cars slide there all the time and it's really chaotic. I was very surprised when they moved the road and there was no sidewalk planned for there. Not sure if this is the right forum to request a new sidewalk along Ski Watch Drive for us. There is no access through the Grand Colorado building so I think it is important to have a sidewalk along Ski Watch drive for us. The original Master Plan showed a statement/entry sign at Ski Hill Road before One Ski Hill Place, but no one has moved forward with a statement sign to let people know that they have arrived at the base of Peak 8. I think it is time for that statement sign since we will now have more density and mass than what was originally approved on the original Master Plan. Ice rink: Originally thought positive three (+3) was appropriate for the rink, but now I agree with Mr. Dudick about the ambiance and they should get positive six (+6) points. I disagree with positive six (+6) points for amenities inside as those are for their guests only. One Ski Hill was a different animal; owners from Timber Trail, Crystal Peak, Mountain Thunder, Grand Lodge at Peak 7, they all shared the amenities and it is quasi-public. One question for Mr. Stais: I wanted to confirm that everything for Grand Colorado East and Grand Colorado West meets the Master Plan. Want to get confirmation for that issue. Thank you for your time. (Ms. Dudney: On the statement sign, I am not clear what you mean. - Mr. Stais showed a general location on a map.) We now are approving more mass and density than ever was planned, I am requesting that the statement sign be added and approved now; there's more activity, more people. (Ms. Dudney: There is confusion.) No; the statement sign is just that you have arrived at Peak 8. It adds to the ambiance; you have arrived at your destination.

There was no further public comment and the hearing was closed.

Commissioner Questions / Comments:

- Mr. Pringle: I would like to, with respect to “visitor” or “guest”, it comes back to the parking issue of who is the parking going to be available for, the “winter recreation visitor”? 68 spaces on both decks for “winter recreation visitor”, is that correct? It says “pedestrian” access. On page 31, it says “guests that park on lower level directed to upper level to cross Ski Hill Road”. Distinction between “guests” if guests can park in Stables Lot; are those going to be allowed to park in the lot? (Mr. Mosher: Both.) (Mr. Grosshuesch: There is no restriction on those parking spaces as far as guest, they can park there and pay any associated fee. When someone pays to park in the Gondola Lots, we don’t check to see where they are going from the lot. The same will be true in these lots.) If there are guests that stay at the hotel, are they parking on the lower lot? Then we don’t have those spaces for the general public?) (Mr. Dudick: The upper deck can have Grand Colorado guests; the lower deck is the ski area. Right now it is employee only; next season it will be open to guests.) Guests of hotel and visitors; the report says guests are we going to put guests of the hotel into the public lot? (Mr. Dudick: My understanding is their lower lot is for close in paid guests.) (Ms. Puester: All of this has been clarified and approved in the parking agreement and Master Plan with the Town Council.) (Mr. Stephen C. West: We have an agreement with Town. 200 spaces are for “winter recreation visitors”. Both One Ski Hill Place and Grand Colorado East have plenty of excess spaces for those uses associated with their uses. The Stables Lot is for “winter recreation visitors”, not reserved for those staying at the condo/hotels.) (Mr. Mosher: This is spelled out very clearly in the Master Plan. Recommend you read that Master Plan and contact me with any questions.)
- Mr. Lamb: All the points: I am fine with the negative ten (-10) and positive one (+1), positive one (+1) for building height. Fine with positive points for landscaping. Positive six (+6) for amenities; I support strong precedent like skating rink idea. Good project hard to argue with the final score of positive twelve (+12) points.
- Mr. Schuman: I Agree with Mr. Lamb on all those points. This is a really good example for developers to see.
- Ms. Leidal: I agree with Staff’s interpretation on height and roof form stepping down. I support positive two (+2) for landscaping. You did it at the last hotel; would you consider 50 % of aspens to be multi stem? I support positive six (+6) points for amenities. On the skating rink, I would support positive three (+3) as I compare it to the existing ice rink. It’s not open year round; and we don’t want it to be. I see it more as an amenity for your guest instead of people going up there.
- Ms. Dudney: Negative ten (-10) I understand and support the added positive; I support positive one (+1) and positive one (+1) for stepping down; no negative points for parapet length. I agree with positive two (+2) for landscaping. I do support positive six (+6) for amenities, but I understand Mr. Himmelstein’s’ concerns. I wish the amenities were public amenities not just the guest but understand the precedent with the Code. Positive six (+6) for skating; looking for rationale on impact.
- Mr. Pringle: Size on skating rink? (Mr. Stais: 40’ x 70’.) Thank you, Mr. Dudick, and all your team for how you are approaching mitigating the employee housing need. The private sector creates a lot of the impact and I applaud you for stepping up. It is not the public’s job. I agree with negative three (-3) points on energy conservation; goes a long way for safety on there. I agree with negative ten (-10) points for height and two positive (+2) points for roof form density and stepping down. I don’t believe negative points should be assessed for parapet length; there is enough relief; agree with staff report. Positive two (+2) for landscape if there is place for additional positive points this would be it. Positive six (+6) for added amenities: Ms. Dudney is absolutely correct, there should be more for public precedence for positive

six (+6). You have enough to pass. Getting a lot of points for rink and you are assuming responsibility for running the rink from here on out. Ok with positive six (+6) points. In favor with change on Findings and Conditions that Staff passed out and thank you to Mr. West for clarifying on the parking.

Mr. Schroder: I agree with point analysis presented by staff.

Ms. Christopher: I agree with 1, 2 and 3 and amended Findings and Conditions. I would agree with Ms. Leidal on positive three (+3) for skating rink as it is only used a portion of year and not used as much as indoor. Thank you for strong project and for working on the employee housing.

Mr. Pringle: Mr. Stais, excellent building. This is really starting to come together wonderfully. I can't wait to see the ensuing buildings come down in the future. They did it right thank you guys.

Mr. Schuman made a motion to approve the point analysis for the Grand Colorado Peak 8 East Building, PL-2015-0215, 1595 Ski Hill Road, showing a passing point analysis of positive twelve (+12) points. Mr. Lamb seconded, and the motion was carried unanimously (7-0).

Mr. Schuman made a motion to approve the Grand Colorado Peak 8 East Building, PL-2015-0215, 1595 Ski Hill Road, with the corrected findings and conditions presented at this evening's meeting. Mr. Lamb seconded, and the motion was carried unanimously (7-0).

OTHER MATTERS:

- 1) Class C Subdivisions Approved for Q4, 2015 (JP) (Memo Only)
- 2) Class D Majors Approved for Q4, 2015 (JP) (Memo Only)

ADJOURNMENT:

The meeting was adjourned at 8:22pm.

Kate Christopher, Chair

MEMO

TO: Town Council
FROM: Town Attorney
RE: Council Bill No. 1 (Liquor and Marijuana Licensing Authority)
DATE: January 15, 2016 (for January 26th meeting)

The second reading of the ordinance to create the new Town of Breckenridge Liquor and Marijuana Licensing Authority is scheduled for your meeting on January 26th. There are no changes proposed to ordinance from first reading.

I will be happy to discuss this matter with you on Tuesday.

1 ***FOR WORKSESSION/SECOND READING – JAN. 26***

2
3 Additions To The Current Breckenridge Town Code Are
4 Indicated By **Bold + Double Underline**; Deletions By ~~Strikeout~~

5
6 ***NO CHANGE FROM FIRST READING***

7
8 COUNCIL BILL NO. 1

9
10 Series 2016

11
12 AN ORDINANCE REPEALING AND READOPTING WITH CHANGES CHAPTER 5 OF
13 TITLE 2 OF THE BRECKENRIDGE TOWN CODE; ESTABLISHING THE TOWN OF
14 BRECKENRIDGE LIQUOR AND MARIJUANALICENSING AUTHORITY; DEFINING
15 THE POWERS AND DUTIES OF SUCH AUTHORITY; PROVIDING OTHER RULES
16 CONCERNING THE OPERATION OF SUCH AUTHORITY; AND MAKING
17 CONFORMING AMENDMENTS TO THE BRECKENRIDGE TOWN CODE

18
19 BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BRECKENRIDGE,
20 COLORADO:

21
22 Section 1. Chapter 5 of Title 2 of the Breckenridge Town Code is repealed and readopted
23 with changes to read as follows:

24
25 CHAPTER 5

26
27 LIQUOR AND MARIJUANA LICENSING AUTHORITY

28
29 SECTION:

- 30
- 31 2-5-1: Findings
- 32 2-5-2: Creation
- 33 2-5-3: Appointment; Qualification
- 34 2-5-4: Term Of Office; Vacancies
- 35 2-5-5: Compensation
- 36 2-5-6: Powers, Duties And Responsibilities
- 37 2-5-~~6~~-7: Elimination Of Distance Requirement For Junior College Districts
- 38 2-5-~~7~~8: Operation
- 39 2-5-~~8~~9: Meetings
- 40 2-5-~~9~~10: Rules And Regulations
- 41 2-5-~~10~~11: Applicability Of Code Of Ethics
- 42 2-5-~~11~~12: Legal Advisor
- 43 2-5-~~12~~13: Appeals
- 44 2-5-~~13~~14: Town Clerk’s Duties

- 1 2-5-14~~15~~: Annual Report
- 2 2-5-15: ~~Conduct of Hearings~~
- 3 2-5-16: Oaths; Subpoenas
- 4 2-5-17: Terms And Conditions Of License
- 5 2-5-18: False Application Basis For Revocation
- 6 2-5-19: ~~Show Cause Hearings; Factors Considered~~
- 7 2-5-20~~19~~: Buildings To Meet Code Standards
- 8 2-5-21: ~~Licensed Premises To Be Open For Inspection~~
- 9 2-5-22: ~~Colorado State Law Applicable~~
- 10 2-5-23~~20~~: Specific Provisions Control Over General
- 11 **2-5-21: Actions of Liquor Licensing Authority Ratified and Confirmed**

12

13 2-5-1: FINDINGS: The Town Council finds and determines as follows:

14

- 15 A. The Town Council is authorized by Section 12-47-103(17), C.R.S., to create by
16 ordinance ~~an authority~~ **a local licensing authority** to handle all liquor licensing matters
17 for the Town.

- 18 B. **The Town has authorized the issuance of certain local licenses under the Colorado**
19 **Medical Marijuana Code (Article 43.3 of Title 12, C.R.S.), the Colorado Retail**
20 **Marijuana Code (Article 43.4 of Title 12, C.R.S.), and the applicable administrative**
21 **regulations promulgated with respect to such statutes, all as more fully set forth in**
22 **Chapter 14 of Title 4 of this Code.**

- 23 C. **The Town Council is authorized by Section 12-43.3-104(5), C.R.S.(which is part of**
24 **the Colorado Medical Marijuana Code), and Section 12-43.4-103(7), C.R.S.(which is**
25 **part of the Colorado Retail Marijuana Code) to create by ordinance a local licensing**
26 **authority to handle all marijuana licensing matters for the Town.**

- 27 D. **The Town Council desires to establish a single local licensing authority to act for the**
28 **Town in all local licensing matters arising under the Colorado Beer Code (Article 46**
29 **of Title 12, C.R.S.), the Colorado Liquor Code (Article 47 of Title 12, C.R.S.),the**
30 **Colorado SpecialLiquor Events Code (Article 48 of Title 12, C.R.S.), the Colorado**
31 **Medical Marijuana Code (Article 43.3 of Title 12, C.R.S.), the Colorado Retail**
32 **Marijuana Code (Article 43.4 of Title 12, C.R.S.), the applicable administrative**
33 **regulations promulgated with respect to such statutes, the Town's Marijuana**
34 **Licensing Ordinance (Chapter 14 of Title 4 of this Code); and other applicable law.**

- 35 E. ~~B-~~Section 9.5 of the Town Charter authorizes the Town Council to create by ordinance
36 permanent boards and commissions for the Town, and sets forth certain requirements
37 which must be met with respect to the creation of a permanent Town board or
38 commission.

1 F. ~~E.~~ Section 9.2(a) of the Town Charter provides that neither the mayor nor any Town
2 employee shall serve on any Town board or commission.

3 ~~D. (Rep. by Ord. 6, Series 2008)~~

4 G. ~~E.~~ The Town of Breckenridge Liquor and Marijuana Licensing Authority should be
5 created **to replace the Town of Breckenridge Liquor Licensing Authority**
6 **(established by Ordinance No. 20, Series 2003)**, and given the authority to handle all
7 liquor and marijuana licensing matters for the Town, all as more fully set forth in this
8 Chapter.

9 ~~F. The provisions of this Chapter comply with the requirements of Section 12-47-103(17),~~
10 ~~C.R.S., Sections 9.2 and 9.5 of the Town Charter.~~

11 2-5-2: CREATION: There is hereby created and established ~~at the~~ Town of Breckenridge Liquor
12 and Marijuana Licensing Authority. The Town of Breckenridge Liquor and Marijuana
13 Licensing Authority is referred to in this Chapter as the "Authority." The Authority shall be a
14 permanent board of the Town, and shall operate in accordance with and subject to the provisions,
15 duties, and limitations of this Chapter, ~~this title,~~ and other ~~relevant~~ applicable law.

16
17 2-5-3: APPOINTMENT; QUALIFICATION:

18
19 A. The Authority shall consist of five (5) members who shall be appointed by the Town
20 Council.

21 B. Members of the Authority shall be residents and electors of the Town.

22 C. ~~No~~ Neither the Mayor nor any Town employee shall serve on the Authority.

23 D. No person shall serve as a member of the Authority if such person or a member of such
24 person's immediate family has any interest in a business for which a license or
25 permit has been applied for or issued by the Town pursuant to this Chapter.

26 E. All members of the Authority shall serve at the pleasure of the Town Council, and may
27 be removed by the Town Council at any time without cause.

28 2-5-4: TERMS OF OFFICE; VACANCIES:

29 A. The terms of the members of the Authority shall be four (4) years. The terms shall be
30 staggered.

31 B. In the event that a vacancy shall occur during the term of any member of the Authority, a
32 successor shall be appointed by the Town Council to serve the unexpired portion of the
33 term.

1 2-5-5: COMPENSATION:Members of the Authority shall serve without compensation.

2

3 2-5-6: POWERS, DUTIES AND RESPONSIBILITIES: ~~The Authority shall have the following~~
4 ~~powers, duties and responsibilities:~~

5 A. ~~To grant or refuse the original issuance or renewal of any license which the Town is~~
6 ~~authorized to issue under the provisions of the Colorado beer Code, the Colorado liquor~~
7 ~~Code, or the Colorado special events Code.~~

8 B. ~~To conduct such investigations related to such licenses or requests for licenses as are~~
9 ~~required or authorized by law.~~

10 C. ~~To suspend or revoke any license for cause in the manner provided by law.~~

11 D. ~~To require any applicant for a license to furnish any relevant information required by the~~
12 ~~Authority.~~

13 E. ~~To have all of the powers of the local licensing Authority for the Town of Breckenridge as~~
14 ~~are set forth in the Colorado beer Code, the Colorado liquor Code, the Colorado special~~
15 ~~events Code, and the liquor regulations, all from time to time amended.~~

16 **The Authority shall have all of the powers of a local licensing authority as are set forth**
17 **in following laws, all as amended from time to time:**

18 A. **The Colorado Beer Code (Article 46 of Title 12, C.R.S.);**

19 B. **The Colorado Liquor Code (Article 47 of Title 12, C.R.S.);**

20 C. **The Colorado Special Liquor Events Code (Article 48 of Title 12, C.R.S.);**

21 D. **The Town's Marijuana Licensing Ordinance (Chapter 14 of Title 4 of this Code);**

22 E. **The Colorado Medical Marijuana Code (Article 43.3 of Title 12, C.R.S.);**

23 F. **The Colorado Retail Marijuana Code (Article 43.4 of Title 12, C.R.S.);**

24 G. **The administrative regulations promulgated by the Liquor Enforcement Division of**
25 **the Colorado Department of Revenue under the statutes set forth above;**

26 H. **The administrative regulations promulgated by the Authority as authorized by**
27 **Section 2-5-10 of this Chapter; and**

28 I. **Other applicable law.**

1 ~~2-5-6-12-5-7~~: ELIMINATION OF DISTANCE REQUIREMENT FOR JUNIOR COLLEGE
2 DISTRICTS: The distance limitation imposed by Section 12-47-313(1)(d)(I), C.R.S., shall not
3 apply within the Town to a hotel and restaurant license issued for premises that are part of the
4 campus of any junior college district organized pursuant to Colorado law. Except as specifically
5 altered by this Section, the distance limitations imposed by Section 12-47-313(1)(d)(I), C.R.S.,
6 shall continue in full force and effect.

7
8 ~~2-5-72-5-8~~: OPERATION: The Authority shall elect a chair and a vice chair from its members,
9 together with such other officers as the Authority shall deem appropriate, and shall fix the terms
10 of such offices. The Authority shall keep an electronic record of its meetings and shall further
11 keep written minutes thereof as required by the Colorado Open Meetings Law, Title 24,
12 Chapter 6, Part 4, C.R.S. Three (3) members of the Authority shall constitute a quorum for the
13 transaction of business, and a decision of the majority of those present constituting a quorum
14 shall control. Any absent member may join in a decision of the Authority only after he or she has
15 considered the evidence adduced in any hearings conducted during his or her absence

16
17 ~~2-5-82-5-9~~: MEETINGS: The Authority shall meet at Town Hall, or such other location within
18 the Town as the Authority shall determine. The Authority shall meet on such dates as the
19 Authority may determine. All meetings of the Authority shall be subject to the provisions of the
20 Colorado Open Meetings Law, Title 24, Chapter 6, Part 4, C.R.S.

21
22 ~~2-5-92-5-10~~: RULES AND REGULATIONS: The Authority shall have the power to adopt rules
23 and regulations governing its operation. Such rules shall not be inconsistent with ~~the Colorado~~
24 ~~special events code, and the liquor regulations, all as from time to time amended~~ applicable law.

25
26 ~~2-5-102-5-11~~: APPLICABILITY OF CODE OF ETHICS: The provisions of the Breckenridge
27 Town Code of Ethics (Title 1, Chapter 16 of this Code) shall apply to all members of the
28 Authority.

29
30 ~~2-5-112-5-12~~: LEGAL ADVISOR: The Town Attorney shall be the legal advisor to the
31 Authority ~~and shall represent the Authority and the Town in all courts where any decision of the~~
32 ~~Authority is appealed.~~ In the event that it would be a conflict of interest for the Town Attorney to
33 both present evidence to the Authority on any matter and to advise the Authority as to such
34 matter, the Town Attorney shall continue to advise the Authority on the matter and shall engage
35 independent counsel to present the evidence.

36
37 ~~2-5-122-5-13~~: APPEALS: The finding or decision of the Authority shall be in writing. The
38 decision of the Authority shall be final, subject to the right of any aggrieved party to contest the
39 matter in an appropriate court action commenced under Rule 106(a)(4) of the Colorado Rules of
40 Civil Procedure. For purposes of determining the time limit for the commencement of an action
41 under Rule 106(a)(4) of the Colorado Rules of Civil Procedure, the decision of the Authority
42 shall be deemed to be final upon the Authority's issuance of a written finding or decision

1 following the conclusion of the hearing. If the appealing party receives a copy of the written
2 decision of the Authority at the time of the hearing, the time for the filing of the appeal pursuant
3 to Rule 106(a)(4) of the Colorado Rules of Civil Procedure shall commence from the date the
4 appealing party receives the written decision. If the written decision of the Authority is
5 transmitted to the appealing party by mail, the time for the filing of the appeal Rule 106(a)(4) of
6 the Colorado Rules of Civil Procedure shall commence from the date of the mailing of the
7 written decision.

8
9 ~~2-5-13~~2-5-14: TOWN CLERK DUTIES:

- 10
11 A. The Town Clerk shall receive all applications for licenses and permits that may be
12 issued pursuant to this Chapter, and shall issue all licenses and permits granted by the
13 Authority (or the Town Clerk, whichever is applicable) upon receipt of such license
14 fees and taxes as are required by law.
- 15 B. The Town Clerk shall serve as the official secretary of the Authority, and shall designate
16 a person or persons to provide the necessary ~~secretarial and reporting~~ administrative
17 services for the Authority. The Town Clerk or the Clerk's designee shall attend the
18 meetings of the Authority, and shall publish and post those notices that are required by
19 law.
- 20 C. Pursuant to Section 12-48-107(4), C.R.S., the Town Clerk is assigned the duty to approve
21 or deny all applications for special liquor events ~~licenses~~ permits ~~which~~ that are
22 submitted to the Authority. In exercising the authority hereby delegated, the Town Clerk
23 shall follow the rules and procedures set forth in the Colorado ~~special events~~ Special
24 Liquor Events Code, and all applicable administrative regulations governing special
25 liquor events promulgated by the Liquor Enforcement Division of the Colorado
26 Department of Revenue.

27 ~~2-5-14~~2-5-15: ANNUAL REPORT: On or before January 31 of each year, the Authority shall
28 file a report with the Town ~~Clerk~~ Council setting forth the number of applications for licenses
29 and permits acted upon; the number of licenses and permits granted; the number of licenses
30 and permits denied; and any other actions taken by the Authority during the past year.

31
32 ~~2-5-15~~: CONDUCT OF HEARINGS:

- 33 ~~A. All hearings before the Authority shall be public, and shall be conducted according to the~~
34 ~~rules and regulations concerning the procedure for hearings promulgated by the Authority.~~
- 35 ~~B. No testimony shall be offered at a hearing before the Authority unless the same is given~~
36 ~~under oath.~~

1 ~~C. Applicants and all other parties in interest may appear in person or be represented by~~
2 ~~counsel at their own expense.~~

3 ~~D. The Authority may limit the presentation of evidence tending to be repetitious or which is~~
4 ~~immaterial or irrelevant.~~

5 ~~E. Any Attorney at law who appears before the Authority at any hearing shall be required to~~
6 ~~state the name(s) and address(es) of all persons whom he or she has been authorized to~~
7 ~~represent at the hearing.~~

8 ~~F. The Authority may make such independent investigation as it deems necessary or~~
9 ~~advisable in connection with any application for a license.~~

10 ~~2-5-162-5-16:~~ OATHS; SUBPOENAS: The Authority shall have the power to administer oaths
11 and issue subpoenas to require the presence of persons and the production of papers, books, and
12 records necessary to the determination of any hearing which the Authority is authorized to
13 conduct. It shall be unlawful and a violation of this Code for any person to fail to comply with
14 any subpoena issued by the Authority in the proper conduct of its hearings, **and upon conviction**
15 **for such violation the offender shall be punished as provided in Title 1, Chapter 4 of this**
16 **Code.** A subpoena shall be served in the same manner as a subpoena issued by the district court
17 of the state.

18
19 ~~2-5-172-5-17:~~ TERMS AND CONDITIONS OF LICENSE **AND PERMIT:**

20
21 A. The Authority **or the Town Clerk, whichever is applicable,** shall have the power to
22 impose such special terms and conditions on a license **or permit,** or the renewal thereof,
23 as may be reasonably required to protect the public health, safety, and welfare, **subject to**
24 **any limitation imposed by applicable law.**

25 B. It shall be a condition of each license **or permit** issued by the Authority pursuant to **the**
26 **authority granted by** this Chapter, whether or not expressly stated in the license **or**
27 **permit,** that during the term of the license **or permit** the licensee **or permittee** shall not
28 violate, or permit the licensee's **or permittee's** employees to violate, any ordinance of
29 the Town now existing or hereafter adopted related to the regulation of noise emanating
30 from the licensed premises **for which the license or permit was issued.**

31 ~~2-5-182-5-18:~~ FALSE APPLICATION BASIS FOR REVOCATION: Any information
32 ~~which~~**that** is furnished to the Authority with the intent to mislead or misrepresent the true state
33 of facts shall be a basis for denial of the application or suspension or revocation of the license **or**
34 **permit.**

1 ~~2-5-19: SHOW CAUSE HEARINGS; FACTORS CONSIDERED: In all cases where a violation~~
2 ~~of the applicable state or local law is found at a show cause hearing, the Authority shall consider~~
3 ~~the following factors in mitigation or aggravation prior to determining the appropriate penalty:~~

4 ~~A. The seriousness of the violation;~~

5 ~~B. Corrective action, if any;~~

6 ~~C. Prior violations and offenses at the licensed premises and the effectiveness of prior~~
7 ~~corrective action;~~

8 ~~D. Prior violations and offenses by the licensee or the licensee's employees;~~

9 ~~E. Whether the violation is part of a repeated course of conduct or a single event;~~

10 ~~F. The likelihood of recurrence;~~

11 ~~G. All circumstances surrounding a violation;~~

12 ~~H. Whether the violation was wilful;~~

13 ~~I. The length of time a license has been held by the licensee;~~

14 ~~J. Previous sanctions imposed against the licensee, if any; and~~

15 ~~K. Other factors making the situation with respect to the licensee or the licensed premises~~
16 ~~unique.~~

17 ~~2-5-20~~**2-5-19**: BUILDINGS TO MEET CODE STANDARDS: No license **or permit** shall be
18 issued, renewed, or transferred **pursuant to the authority granted by this Chapter** unless the
19 building in which the business is carried on meets all of the requirements of the land use
20 regulations and the building and other technical Codes of the Town.

21
22 ~~2-5-21: LICENSED PREMISES OPEN FOR INSPECTION: All premises licensed under this~~
23 ~~Chapter shall be open to inspection by the police department of the Town, the health department~~
24 ~~of the county, the state licensing Authority, and any other federal, state, county or Town agency~~
25 ~~which is permitted or required by law to inspect licensed premises. It is unlawful for the licensee,~~
26 ~~the licensee's employees or agents, or for any other person, to refuse to permit any such~~
27 ~~inspection of the licensed premises or to otherwise interfere with any such inspection.~~

28
29 ~~2-5-22: COLORADO STATE LAW APPLICABLE: The provisions of the Colorado beer Code,~~
30 ~~the Colorado liquor Code, the Colorado special events Code, and liquor regulations, all as from~~



MEMORANDUM

TO: Town Council

FROM: Michael Mosher, Planner III

DATE: January 19, 2016 (for January 26th meeting)

SUBJECT: First Reading- Landmarking the Old Enyeart Place - 112 South Harris Street

Enclosed with this memo is a landmarking ordinance at first reading for the Old Enyeart Place located at 112 South Harris Street. The property that is the subject of the ordinance is:

An Ordinance Designating Certain Real Property
As A Landmark Under Chapter 11 Of Title 9 Of The Breckenridge Town Code
(Lot 7, Block 7, Yingling and Mickles Subdivision)

The Town Council approved the Old Enyeart Place (PL-2015-0361) on December 8, 2015. Landmarking the structures was a condition of Development Permit approval which included the restoration the historic building. The Planning Commission approved this project on December 1, 2015 and recommended that the Town Council adopt the structure as a local landmark. This ordinance will fulfill the landmarking condition of approval for the Development Permit.

Staff will be available at the meeting for questions.



1 **FOR WORKSESSION/FIRST READING – JAN. 26**

2
3 COUNCIL BILL NO. ____

4
5 Series 2016

6
7 AN ORDINANCE DESIGNATING CERTAIN REAL PROPERTY AS A LANDMARK
8 UNDER CHAPTER 11 OF TITLE 9 OF THE BRECKENRIDGE TOWN CODE
9 (Lot 7, Block 7, Yingling & Mickles Addition)

10
11 BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BRECKENRIDGE,
12 COLORADO:

13
14 Section 1. Findings. The Town Council of the Town of Breckenridge hereby finds and
15 determines as follows:

16
17 A. Michael F. Gallagher owns the hereinafter described real property. Such real
18 property is located within the corporate limits of the Town of Breckenridge, County of
19 Summit and State of Colorado.

20
21 B. Michael F. Gallagher filed an application with the Town pursuant to Chapter
22 11 of Title 9 of the Breckenridge Town Code seeking to have the Town designate the
23 hereinafter described real property as a landmark (“Application”).

24
25 C. The Town followed all of procedural requirements of Chapter 11 of Title 9 of
26 the Breckenridge Town Code in connection with the processing of the Application.

27
28 D. The improvements on the hereinafter described real property are more than
29 fifty (50) years old and meet the “social” designation criteria for a landmark as set forth
30 in Section 9-11-4(A)(1)(b) of the Breckenridge Town Code because it is associated with
31 a notable person or the work of a notable person.

32
33 E. The improvements on the hereinafter described real property meet the
34 “physical integrity” criteria for a landmark as set forth in Section 9-11-4(A)(3) of the
35 Breckenridge Town Code because: (i) the property shows character, interest or value as
36 part of the development, heritage or cultural characteristics of the community, region,
37 state or nation; (ii) the property retains original design features, materials and/or colors;
38 (iii) the structure on the property is in its original location or is in the same historical
39 context after having been moved; and (iv) the structure has been accurately reconstructed
40 or restored based on documentation.

41
42 F. In accordance with the requirements of Section 9-11-3(B)(3) of the
43 Breckenridge Town Code, on December 1, 2015 the Application was reviewed by the
44 Breckenridge Planning Commission. On such date the Planning Commission
45 recommended to the Town Council that the Application be granted.
46

1 G. The Application meets the applicable requirements of Chapter 11 of Title 9 of
2 the Breckenridge Town Code, and should be granted without conditions.

3
4 H. Section 9-11-3(B)(4) of the Breckenridge Town Code requires that final
5 approval of an application for landmark designation under Chapter 11 of Title 9 of the
6 Breckenridge Town Code be made by ordinance duly adopted by the Town Council.

7
8 Section 2. Designation of Property as Landmark. The following described real
9 property located in the Town of Breckenridge, Summit County, Colorado:

10
11 Lot 7, Block 7, Yingling and Mickles Addition to the Town of Breckenridge;
12 commonly known and described as 112 South Harris Street, Breckenridge,
13 Colorado 80424

14
15 is hereby designated as a landmark pursuant to Chapter 11 of Title 9 of the Breckenridge
16 Town Code.

17
18 Section 3. Police Power Finding. The Town Council hereby finds, determines and
19 declares that this Ordinance is necessary and proper to provide for the safety, preserve the health,
20 promote the prosperity, and improve the order, comfort and convenience of the Town of
21 Breckenridge and the inhabitants thereof.

22
23 Section 4. Town Authority. The Town Council hereby finds, determines and declares
24 that it has the power to adopt this Ordinance pursuant to the authority granted to home rule
25 municipalities by Article XX of the Colorado Constitution and the powers contained in the
26 Breckenridge Town Charter.

27
28 Section 5. Effective Date. This Ordinance shall be published and become effective as
29 provided by Section 5.9 of the Breckenridge Town Charter.

30
31 INTRODUCED, READ ON FIRST READING, APPROVED AND ORDERED
32 PUBLISHED IN FULL this ____ day of _____, 2016. A Public Hearing shall be held at the
33 regular meeting of the Town Council of the Town of Breckenridge, Colorado on the ____ day of
34 _____, 2016, at 7:30 P.M., or as soon thereafter as possible in the Municipal Building of the
35 Town.

36
37 ATTEST:

TOWN OF BRECKENRIDGE

38
39 _____
40 Helen Cospolich
41 Town Clerk

John G. Warner, Mayor



MEMORANDUM

TO: Town Council

FROM: Michael Mosher, Planner III

DATE: January 19, 2016 (for January 26th meeting)

SUBJECT: First Reading- Landmarking the Gallagher Residence - 114 South Harris Street

Enclosed with this memo is a landmarking ordinance at first reading for the Gallagher Residence located at 114 South Harris Street. The property that is the subject of the ordinance is:

An Ordinance Designating Certain Real Property
As A Landmark Under Chapter 11 Of Title 9 Of The Breckenridge Town Code
(Lot 8A, Block 7, Yingling and Mickles Subdivision)

The Town Council approved the Gallagher Residence (PL-2015-0362) on December 8, 2015. Landmarking the structures was a condition of Development Permit approval which included the restoration the historic building. The Planning Commission approved this project on December 1, 2015 and recommended that the Town Council adopt the structure as a local landmark. This ordinance will fulfill the landmarking condition of approval for the Development Permit.

Staff will be available at the meeting for questions.



1 **FOR WORKSESSION/FIRST READING – JAN. 26**

2
3 COUNCIL BILL NO. ____

4
5 Series 2016

6
7 AN ORDINANCE DESIGNATING CERTAIN REAL PROPERTY AS A LANDMARK
8 UNDER CHAPTER 11 OF TITLE 9 OF THE BRECKENRIDGE TOWN CODE
9 (Lot 8A, Block 7, Yingling & Mickles Addition)

10
11 BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BRECKENRIDGE,
12 COLORADO:

13
14 Section 1. Findings. The Town Council of the Town of Breckenridge hereby finds and
15 determines as follows:

16
17 A. Michael F. Gallagher owns the hereinafter described real property. Such real
18 property is located within the corporate limits of the Town of Breckenridge, County of
19 Summit and State of Colorado.

20
21 B. Michael F. Gallagher filed an application with the Town pursuant to Chapter
22 11 of Title 9 of the Breckenridge Town Code seeking to have the Town designate the
23 hereinafter described real property as a landmark (“Application”).

24
25 C. The Town followed all of procedural requirements of Chapter 11 of Title 9 of
26 the Breckenridge Town Code in connection with the processing of the Application.

27
28 D. The improvements on the hereinafter described real property are more than
29 fifty (50) years old and meet the “architectural” designation criteria for a landmark as set
30 forth in Section 9-11-4(A)(1)(a) of the Breckenridge Town Code because it is of a style
31 particularly associated with the Breckenridge area.

32
33 E. The improvements on the hereinafter described real property meet the
34 “physical integrity” criteria for a landmark as set forth in Section 9-11-4(A)(3) of the
35 Breckenridge Town Code because the structure on the property is in its original location
36 or is in the same historical context after having been moved.

37
38 F. In accordance with the requirements of Section 9-11-3(B)(3) of the
39 Breckenridge Town Code, on December 1, 2015 the Application was reviewed by the
40 Breckenridge Planning Commission. On such date the Planning Commission
41 recommended to the Town Council that the Application be granted.

42
43 G. The Application meets the applicable requirements of Chapter 11 of Title 9 of
44 the Breckenridge Town Code, and should be granted without conditions.

1 H. Section 9-11-3(B)(4) of the Breckenridge Town Code requires that final
2 approval of an application for landmark designation under Chapter 11 of Title 9 of the
3 Breckenridge Town Code be made by ordinance duly adopted by the Town Council.
4

5 Section 2. Designation of Property as Landmark. The following described real
6 property located in the Town of Breckenridge, Summit County, Colorado:
7

8 Lot 8A, Block 7, Yingling and Mickles Addition to the Town of Breckenridge;
9 commonly known and described as 114 South Harris Street, Breckenridge,
10 Colorado 80424
11

12 is hereby designated as a landmark pursuant to Chapter 11 of Title 9 of the Breckenridge
13 Town Code.
14

15 Section 3. Police Power Finding. The Town Council hereby finds, determines and
16 declares that this Ordinance is necessary and proper to provide for the safety, preserve the health,
17 promote the prosperity, and improve the order, comfort and convenience of the Town of
18 Breckenridge and the inhabitants thereof.
19

20 Section 4. Town Authority. The Town Council hereby finds, determines and declares
21 that it has the power to adopt this Ordinance pursuant to the authority granted to home rule
22 municipalities by Article XX of the Colorado Constitution and the powers contained in the
23 Breckenridge Town Charter.
24

25 Section 5. Effective Date. This Ordinance shall be published and become effective as
26 provided by Section 5.9 of the Breckenridge Town Charter.
27

28 INTRODUCED, READ ON FIRST READING, APPROVED AND ORDERED
29 PUBLISHED IN FULL this ____ day of _____, 2016. A Public Hearing shall be held at the
30 regular meeting of the Town Council of the Town of Breckenridge, Colorado on the ____ day of
31 _____, 2016, at 7:30 P.M., or as soon thereafter as possible in the Municipal Building of the
32 Town.
33

34 ATTEST:

TOWN OF BRECKENRIDGE

35 _____
36 Helen Cospolich
37 Town Clerk
38

John G. Warner, Mayor

TO: BRECKENRIDGE TOWN COUNCIL
FROM: BRIAN WALDES, FINANCIAL SERVICES MANAGER
SUBJECT: 2016 CERTIFICATES OF PARTICIPATION (COPS) EMERGENCY ORDINANCE
DATE: 1-19-16
CC: RICK HOLMAN, TOWN MANAGER

The purpose of this memo is to explain the attached 2016 Certificates of Participation (COPs) emergency ordinance, Site-Lease Agreement, Lease Purchase Agreement, and the need for emergency ordinance status.

The Ordinance

The COP emergency ordinance (the ordinance) will allow Council, with one reading and no required 30 day waiting period, to authorize the approval of the documents required to issue the 2016 Certificates of Participation (COPs). In the section one recitals the ordinance lists the purposes of the 2016 COP issue. The first listed is the refunding of the \$2.4M outstanding 2005 COP debt (the "Refunding Project"), and the second is the financing of the Huron Landing affordable rental housing project (the "Improvement Project"). The recitals in section one also speak to the requirements to execute several documents to effect the issuance of the 2016 COPs. These documents include the Site Lease Agreement and Lease Purchase Agreement attached hereto, as well as several other ancillary documents; the Indenture of Trust Agreement, Continuing Disclosure Agreement, Escrow Agreement, and Offering Statement. Unlike the multi-year leases attached, these other documents do not require direct approval from Council and, as such, are not attached. Staff will be at the January 26, 2016 work session to answer any questions Council may have about the purpose of any of these other documents. They are also available for your review upon request.

The Leases

If approved, the attached lease agreements will create the "lease-lease back" mechanism that is integral to issuing the COPs. The Site Lease Agreement leases the underlying properties (Town Hall and the Breckenridge Grand Vacations Community Center) to the Trustee for 20 years. For this consideration, the Trustee will remit to the Town the entire lease payment up front, an amount approximating \$11.1M. These are the COP loan proceeds. The Lease Purchase Agreement allows the Town to 'lease back' the properties for an estimated \$14.6M over 20 years, paid in semi annual payments. These are our debt service payments.

Request for an Emergency Ordinance

By approving the emergency ordinance, Council will give the Mayor the ability to immediately execute the documents listed above and maintain our timeline for issuing the COPs in early March 2016. As was explained at the January 12, 2016 work session, staff has requested an emergency ordinance in order to issue this debt as soon as possible and lock in the current interest rate of 3.3%. We believe this is a reasonable and justifiable use of the emergency ordinance process, and could save the Town a substantial amount of interest expense over the 20 year life of the COP debt.

Staff will be at the January 26 work session to answer any questions Council may have. We have also asked for a member of our Bond Counsel to attend the work session. Please feel free to contact the Town Manager's office with any requests for additional information or documents before next Tuesday.

COUNCIL BILL NO. ___
ORDINANCE NO. ___
SERIES 2016

AN ORDINANCE AUTHORIZING THE LEASING OF CERTAIN TOWN PROPERTY AND THE EXECUTION AND DELIVERY BY THE TOWN OF A SITE LEASE, A LEASE PURCHASE AGREEMENT, AN ESCROW AGREEMENT AND OTHER FINANCING DOCUMENTS IN CONNECTION THEREWITH; SETTING FORTH PARAMETERS AND RESTRICTIONS WITH RESPECT TO THE FINANCING; AUTHORIZING THE CONSTRUCTION OF CERTAIN PUBLIC IMPROVMENTS AND THE REFUNDING OF CERTAIN CERTIFICATES OF PARTICIPATION; RATIFYING ACTION PREVIOUSLY TAKEN CONCERNING THE REFERENCED TRANSACTIONS; AND PROVIDING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BRECKENRIDGE, COLORADO:

Section 1. Recitals.

A. The Town of Breckenridge, in Summit County, Colorado (the “Town”), is a duly organized and existing home rule municipality of the State of Colorado (the “State”), created and operating pursuant to Article XX of the State Constitution and the Town’ Home Rule Charter (the “Charter”).

B. Pursuant to Section 11.10 of the Charter, the Town Council of the Town (the “Council”) is authorized to enter into lease-purchase and installment-purchase agreements as a means of acquiring any real or personal property for public purposes.

C. Pursuant to Section 15.4 of the Charter, the Council is authorized to lease, for such time as the Council shall determine, real or personal property to or from any person, firm or corporation, public and private, governmental or otherwise.

D. Pursuant to Title 1, Chapter 11 of the Town’s municipal code, any real estate leases which are longer than one year shall be approved by ordinance.

E. For the purpose of financing the cost of certain public improvements of the Town (the “Prior Projects”), the Town has previously executed and delivered:

- i. A Lease Purchase Agreement dated as of December 1, 2000 (the “Original Lease”), by and between the Town and the Town of Breckenridge Finance Authority, as Lessor (the “Authority”); a First Amendment to Lease Purchase Agreement dated as of October 1, 2005 (the “First Amendment”), by and between the Town and the Authority, as Lessor;

and a Second Amendment to Lease Purchase Agreement dated as of December 1, 2007 (the “Second Amendment”), by and between the Town and the Authority as Lessor (together, the Original Lease, the First Amendment and the Second Amendment Agreement are the “Prior Leases”); and

- ii. A Mortgage and Indenture of Trust dated as of December 1, 2000 (the “Original Indenture”), by and between the Authority and The Bank of Cherry Creek, N.A. (now UMB Bank, n.a.), as Trustee; a First Supplemental Mortgage and Indenture of Trust (the “First Supplement”), by and between the Authority and American National Bank, successor to The Bank of Cherry Creek, N.A., (now UMB Bank, n.a.) as Trustee; and a Second Supplemental Mortgage and Indenture of Trust (the “Second Supplement”), by and between the Authority and American National Bank (now UMB Bank, n.a.), as Trustee (together, the Original Indenture, the First Supplement and the Second Supplement are the “Prior Indentures”); and
- iii. Special Warranty Deed dated as of December 13, 2000, conveying the Town Hall building and site from the Town to the Authority as security for the Original Lease (the “2000 Leased Property”) and Special Warranty Deed dated as of November 1 2005, conveying the Police building and site from the Town to the Authority as security for the 2005 Amendment (the “2005 Leased Property”).

F. Pursuant to the First Supplement, there were executed and delivered certain Certificates of Participation, Series 2005 in the original principal amount of \$4,005,000, of which \$2,400,000 is outstanding (the “2005 Certificates”).

G. The Council has determined, and does hereby determine, that it is in the best interest of the Town and its inhabitants that the Town refinance the 2005 Certificates by exercising its purchase option as provided in the 2005 Amendment to refund and defease all of the outstanding 2005 Certificates (the “Refunding Project”).

H. In connection with the Refunding Project, the 2000 Leased Property will be released from the terms and provisions of the Prior Leases and the Prior Indentures and the Authority’s interest in the 2000 Leased Property will be conveyed to the Town.

I. For the functions or operation of the Town, it is necessary that the Town finance the acquisition, construction, installation, equipping of various public improvements, including any legally permitted costs and expenditures in connection therewith, all for public purposes, and as authorized by law (collectively, the “Improvement Project”).

J. The Council has determined that it is in the best interests of the Town and its inhabitants to execute a lease purchase agreement (the “Lease”) to finance both the Refunding Project and the Improvement Project (collectively, the “Project”).

K. Upon release of the 2000 Leased Property, the Town will own, in fee title, the Sites and the premises, buildings and improvements located thereon, including the Town Hall and the Community Center (as more particularly described in the Lease) (the “Leased Property”).

L. The Council has determined, and now hereby determines, that it is in the best interest of the Town and its inhabitants that the Town lease the Leased Property to UMB Bank, n.a., as trustee (the “Trustee”) under an Indenture of Trust (as hereinafter defined) pursuant to a Site Lease Agreement between the Town, as lessor, and the Trustee, as lessee (the “Site Lease”), and lease back the Trustee’s interest in the Leased Property pursuant to the terms of a Lease Purchase Agreement (the “Lease”) between the Trustee, as lessor, and the Town, as lessee.

M. The Trustee will execute and deliver an Indenture of Trust (the “Indenture”) with the Trustee pursuant to which there is expected to be executed and delivered certain certificates of participation (the “Certificates”) dated as of their date of delivery, that shall evidence proportionate interests in the right to receive certain Revenues (as defined in the Lease), shall be payable solely from the sources therein provided and shall not directly or indirectly obligate the Town to make any payments beyond those appropriated for any fiscal year during which the Lease shall be in effect.

N. There will be executed and distributed in connection with the sale of the Certificates an Official Statement (the “Official Statement”) in substantially the form of the Preliminary Official Statement (the “Preliminary Official Statement”) relating to the Certificates as approved by the Finance Director of the Town.

O. The Town’s obligation under the Lease to pay Base Rentals and Additional Rentals (as each is defined in the Lease) shall be from year to year only; shall constitute a currently budgeted expenditure of the Town; shall not constitute a mandatory charge or requirement in any ensuing budget year; and shall not constitute a general obligation or other indebtedness or multiple fiscal year direct or indirect Town debt or other financial obligation of the Town within the meaning of any constitutional, statutory or Charter limitation or requirement concerning the creation of indebtedness or multiple fiscal year financial obligation, nor a mandatory payment obligation of the Town in any ensuing fiscal year beyond any fiscal year during which the Lease shall be in effect.

P. The Supplemental Public Securities Act, part 2 of article 57 of title 11, Colorado Revised Statutes (the “Supplemental Act”), provides that a public entity, including the Town, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act to an issue of securities.

Q. No member of the Council has any conflict of interest or is interested in any pecuniary manner in the transactions contemplated by this ordinance

R. There have been filed with the Town Clerk proposed forms of: (i) the Site Lease; (ii) the Lease; (iii) the Indenture; (iv) a Continuing Disclosure Certificate dated as of the date of issuance of the Certificates (the “Continuing Disclosure Certificate”) to be delivered

by the Town; (v) the Preliminary Official Statement; and (vi) the Escrow Agreement, between the Town and UMB Bank, n.a., as escrow agent (the “Escrow Agreement”) relating to the refunding and defeasance of the 2005 Certificates.

S. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease and the Site Lease

Section 2. Ratification and Approval of Prior Actions. All action heretofore taken (not inconsistent with the provisions of this ordinance) by the Council or the officers, agents or employees of the Council or the Town relating to the Site Lease, the Lease, the implementation of the Project, and the execution and delivery of the Certificates is hereby ratified, approved and confirmed.

Section 3. Finding of Best Interests. The Council hereby finds and determines, pursuant to the Constitution, the laws of the State and the Charter, that the implementation of the Improvement Project and the Refunding Project, including the payment of the costs of issuance in connection therewith, and financing the costs thereof pursuant to the terms set forth in the Site Lease, the Lease, the Indenture and the Escrow Agreement are necessary, convenient and in furtherance of the Town’s purposes and are in the best interests of the inhabitants of the Town and that the fair value of the Leased Property does not exceed its Purchase Option Price (as defined in the Lease), and the Council hereby authorizes and approves the same.

Section 4. Supplemental Act Election; Parameters. The Council hereby elects to apply all of the provisions of the Supplemental Act to the Lease, the Site Lease and the Certificates, and in connection therewith delegates to the Mayor, any other member of the Council, the Town Manager and the Finance Director the independent authority to make any determination delegable pursuant to Section 11-57-205(1)(a-i), Colorado Revised Statutes, in relation to the Lease and the Site Lease, and to execute a sale certificate (the “Sale Certificate”) setting forth such determinations, including without limitation, the term of the Site Lease, the rental amount to be paid by the Trustee pursuant to the Site Lease, the term of the Lease and the rental amount to be paid by the Town pursuant to the Lease, subject to the following parameters and restrictions:

- (a) the Site Lease Term shall end no later than December 31, 2045;
- (b) the Lease Term shall end no later than December 31, 2035;
- (c) the maximum annual repayment cost of Base Rentals payable by the Town shall not exceed \$1,000,000, and the total repayment cost shall not exceed \$16,500,000;
- (d) the total aggregate principal amount of the Base Rentals payable by the Town under the Lease with respect to the Certificates shall not exceed \$11,500,000;
- (e) the purchase price of the Certificates shall not be less than 98% of the aggregate principal amount; and

(f) the maximum net effective interest rate on the interest component of the Base Rentals relating to the Certificates shall not exceed 5.5%.

Pursuant to Section 11-57-205 of the Supplemental Act, the Council hereby delegates to each of the Mayor, the Town Manager or the Finance Director the authority acknowledge any contract for the purchase of the Certificates between the Trustee and the Purchaser, and to execute any agreement or agreements in connection therewith. In addition, each of the Mayor, the Town Manager or the Finance Director is hereby authorized to independently determine if obtaining an insurance policy for all or a portion of the Certificates is in the best interests of the Town, and if so, to select an insurer to issue an insurance policy, execute a commitment relating to the same and execute any related documents or agreements required by such commitment. Each of the Mayor, the Town Manager or the Finance Director is also hereby authorized to determine if obtaining a reserve fund insurance policy for the Certificates is in the best interests of the Town, and if so, to select a surety provider to issue a reserve fund insurance policy and execute any related documents or agreements required by such commitment.

Section 5. Approval of Documents. The Site Lease, the Lease, the Indenture, the Escrow Agreement, and the Continuing Disclosure Certificate are in all respects approved, authorized and confirmed, and the Mayor of the Town is hereby authorized and directed for and on behalf of the Town to execute and deliver such documents in substantially the forms and with substantially the same contents as the proposed forms of such documents on file with the Town Clerk, with such changes as may hereafter be approved by the Mayor, the Town Attorney, or the Town Manager.

Section 6. Official Statement. The designation of the Preliminary Official Statement by the Mayor or the Town Manager as a “deemed final Official Statement” for purposes of Rule 15c2-12 of the Securities and Exchange Commission is hereby authorized and confirmed. A final Official Statement, in substantially the form of the Preliminary Official Statement, is in all respects approved and authorized. The Mayor is hereby authorized and directed to execute and deliver the final Official Statement, for and on behalf of the Town, in substantially the form and with substantially the same content as the Preliminary Official Statement on file with the Town Clerk. The distribution of the Preliminary Official Statement and the final Official Statement (in substantially the form of the Preliminary Official Statement) to prospective purchasers of the Certificates is hereby ratified, approved and authorized.

Section 7. Authorization to Execute Collateral Documents. The Town Clerk is hereby authorized and directed to attest all signatures and acts of any official of the Town, if so required by any documents in connection with the matters authorized by this ordinance. The Mayor and other appropriate officials or employees of the Town are hereby authorized to execute and deliver for and on behalf of the Town any and all additional certificates, documents, instruments and other papers, and to perform all other acts that they deem necessary or appropriate, in order to implement and carry out the transactions and other matters authorized by this ordinance, including but not limited to the execution of such other certificates and affidavits as may be necessary. The appropriate officers of the Town are authorized to execute on behalf of the Town agreements concerning the deposit and investment of funds in connection with the transactions contemplated by this ordinance. The execution of any instrument by the

aforementioned officers or members of the Council shall be conclusive evidence of the approval by the Town of such instrument in accordance with the terms hereof and thereof.

Section 8. No General Obligation Debt. No provision of this ordinance, the Lease, the Indenture, the Continuing Disclosure Certificate, the Certificates or the Official Statement shall be construed as creating or constituting a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional, statutory or Charter provision, nor a mandatory charge or requirement against the Town in any ensuing fiscal year beyond the then current fiscal year. The Town shall not have any obligation to make any payment with respect to the Certificates except in connection with the payment of the Base Rentals and certain other payments under the Lease, which payments may be terminated by the Town in accordance with the provisions of the Lease. Neither the Lease nor the Certificates shall constitute a mandatory charge or requirement of the Town in any ensuing fiscal year beyond the then current fiscal year or constitute or give rise to a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional, statutory or Charter debt limitation and shall not constitute a multiple fiscal year direct or indirect Town debt or other financial obligation whatsoever. No provision of the Lease or the Certificates shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the Town within the meaning of Sections 1 or 2 of Article XI of the State Constitution. Neither the Lease nor the Certificates shall directly or indirectly obligate the Town to make any payments beyond those budgeted and appropriated for the Town's then current fiscal year.

Section 9. Reasonableness of Rentals. The Council hereby determines and declares that the Base Rentals do not exceed a reasonable amount so as to place the Town under an economic compulsion to renew the Lease or to exercise its option to purchase the Leased Property pursuant to the Lease. The Council hereby determines and declares that the period during which the Town has an option to purchase the Leased Property (i.e., the entire maximum term of the Lease) does not exceed the remaining useful life of the Leased Property.

Section 10. Exercise of Option; Direction to Trustee. In order to effect the Refunding Project, the Council has elected and does hereby declare its intent to exercise on the behalf and in the name of the Town its option to redeem the outstanding 2005 Certificates set forth in the Sale Certificate (the "Refunded Certificates") on the earliest applicable redemption date. The Town hereby irrevocably instructs the Trustee to give notice of refunding and defeasance to the Owners of the Refunded Certificates as soon as practicable after the execution and delivery of the Certificates, in accordance with the provisions of the Indenture and the Escrow Agreement between the Authority and the Trustee, as escrow agent.

Section 11. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Council, or any officer or agent of the Town acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Certificates. Such recourse shall not be available either directly or indirectly through the Council or the Town, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Certificates and as a part of the consideration of their sale or purchase, any person purchasing or selling such certificate specifically waives any such recourse.

Section 12. Charter Controls. Pursuant to Article XX of the State Constitution and the Charter, all State statutes that might otherwise apply in connection with the provisions of this ordinance are hereby superseded to the extent of any inconsistencies or conflicts between the provisions of this ordinance and the Sale Certificate authorized hereby and such statutes. Any such inconsistency or conflict is intended by the Council and shall be deemed made pursuant to the authority of Article XX of the State Constitution and the Charter.

Section 13. Repealer. All bylaws, orders, resolutions and ordinances of the Town, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any other such bylaw, order, resolution or ordinance of the Town, or part thereof, heretofore repealed.

Section 14. Severability. If any section, subsection, paragraph, clause or other provision of this ordinance for any reason is held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this ordinance, the intent being that the same are severable.

Section 15. Declaration of Emergency. In order to effect the Project while favorable market conditions exist, it is hereby declared that an emergency exists and that this ordinance is immediately necessary for the preservation of the public peace, health, safety and financial well-being of the Town. This Ordinance is hereby declared, pursuant to Section 6.1(b) of the Charter, exempt from referendum.

Section 16. Effective Date, Recording and Authentication. In accordance with Section 5.11 of the Charter, this ordinance shall be in full force and effect immediately upon enactment following final passage. A true copy of this ordinance shall be numbered and recorded in the official records of the Town, authenticated by the signatures of the Mayor and the Town Clerk, and published in accordance with the Charter and the Town's municipal code.

INTRODUCED, READ BY TITLE, APPROVED ON FIRST READING AND ADOPTED AS AN EMERGENCY ORDINANCE THIS 26th DAY OF JANUARY, 2016. A copy of this ordinance is available for inspection in the office of the Town Clerk.

(SEAL)

ATTEST:

TOWN OF BRECKENRIDGE

Town Clerk

Mayor

APPROVED IN FORM:

Town Attorney

STATE OF COLORADO)
)
 COUNTY OF SUMMIT) SS. CERTIFICATE OF TOWN CLERK
)
 TOWN OF BRECKENRIDGE)

I, the Town Clerk of the Town of Breckenridge, Colorado, do hereby certify:

1. That the foregoing pages are a true and complete copy of the ordinance adopted by the Council constituting the governing board of the Town of Breckenridge, Colorado (the "Council"), had and taken at an open, regular meeting of the Council held at the Town Hall, in Breckenridge, Colorado, on January 26, 2016, convening at the hour of 7:30 p.m. as recorded in the regular book of official records of the proceedings of the Council kept in my office.

2. The passage of the Ordinance as an emergency on January 26, 2016, was duly moved and seconded and the Ordinance was approved by five (5) affirmative votes of the Council members present at the meeting as follows:

<u>Name</u>	<u>Voting "Yes"</u>	<u>Voting "No"</u>	<u>Absent</u>	<u>Abstaining</u>
John Warner, Mayor				
Mark Burke, Mayor Pro Tem				
Erin Gigliello				
Elisabeth Lawrence				
Ben Brewer				
Gary Gallagher				
Wendy Wolfe				

3. The members of the Council were present at such meeting and voted on the passage of such ordinance as set forth above.

4. There are no bylaws, rules or regulations of the Council which might prohibit the adoption of said ordinance.

5. Following final adoption, the ordinance was published in full by posting on the Town's official website for a period of five (5) consecutive days (from January 27, 2016 through January 31, 2016). The affidavit of publication is also attached hereto as **Exhibit A**.

6. Notice of the meeting of January 26, 2016, in the form attached hereto as **Exhibit B**, was posted at the Town Hall, not less than 24 hours prior to such meeting in accordance with law.

WITNESS my hand and the seal of said Town affixed this January 26, 2016.

(SEAL)

Town Clerk

EXHIBIT A

(Attach Affidavit of Publication)

EXHIBIT B

(Attach Notice of January 26, 2016 Meeting)

AFTER RECORDATION PLEASE RETURN TO:

Butler Snow LLP
1801 California Street, Suite 5100
Denver, Colorado 80202
Attention: Kimberley K. Crawford, Esq.

Pursuant to Section 39-13-104(1)(j), Colorado Revised Statutes, this Site Lease Agreement is exempt from the documentary fee.

SITE LEASE AGREEMENT

DATED AS OF MARCH __, 2016

BETWEEN

**TOWN OF BRECKENRIDGE, COLORADO
AS LESSOR**

AND

**UMB BANK, N.A.,
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE INDENTURE,
AS LESSEE**

This **SITE LEASE AGREEMENT**, dated as of March __, 2016 (this “Site Lease”), is by and between the Town of Breckenridge, Colorado, a home rule Town duly organized and validly existing under the Constitution and laws of the State of Colorado (the “Town”), as lessor, and UMB Bank, n.a., a national banking association duly organized and validly existing under the laws of the United States of America, solely in its capacity as trustee under the Indenture (the “Trustee”), as lessee.

PREFACE

Unless the context otherwise requires, capitalized terms used herein shall have the meanings ascribed to them herein and in the Lease Purchase Agreement, dated as of March __, 2016 (the “Lease”), between the Trustee, as lessor, and the Town, as lessee.

RECITALS

1. The Town has been duly organized and is validly existing as a home rule Town under the Constitution of the State of Colorado and the Charter of the Town (the “Charter”).

2. The Town is authorized by Article XX, Section 6 of the Colorado Constitution and its Charter to enter into rental or leasehold agreements in order to provide necessary land, buildings, equipment and other property for governmental or proprietary purposes.

3. Pursuant to Section 11.10 of the Charter, the Town Council of the Town (the “Town Council”) is authorized to enter into lease-purchase and installment-purchase agreements as a means of acquiring any real or personal property for public purposes.

4. Pursuant to Section 15.4 of the Charter, the Town Council is authorized to lease, for such time as the Town Council shall determine, real or personal property to or from any person, firm or corporation, public and private, governmental or otherwise.

5. The Town Council has determined that it is in the best interest of the Town and its inhabitants that the Town refund and defease certain outstanding Prior Certificates (the “Refunding Project”).

6. For the functions or operations of the Town, it is necessary that the Town finance the acquisition, construction, installation, equipping of various public improvements, including any legally permitted costs and expenditures in connection therewith, all for public purposes, and as authorized by law (collectively, the “Improvement Project”).

7. The Council has determined that it is in the best interests of the Town and its inhabitants to execute a Lease Purchase Agreement (the “Lease”) and this Site Lease to provide for the financing and the refinancing both the Refunding Project and the Improvement Project (collectively, the “Project”).

8. Terms not defined herein shall have the meaning ascribed to them in the Lease.

9. Contemporaneously with the execution and delivery of this Site Lease and the Lease, the Trustee will execute and deliver an Indenture of Trust (the “Indenture”) pursuant to

which there is expected to be executed and delivered certain certificates of participation (the "Certificates") dated as of their date of delivery that shall evidence proportionate interests in the right to receive certain Revenues (as defined in the Lease), shall be payable solely from the sources therein provided and shall not directly or indirectly obligate the Town to make any payments beyond those appropriated for any fiscal year during which the Lease shall be in effect.

10. The proceeds of the Certificates will be utilized for the Project, as well as for the payment of the costs of execution and delivery of the Certificates.

11. The Town owns, or will own, in fee title, the Site and the premises, buildings and improvements located thereon (as more particularly described in **Exhibit A** attached hereto, the "Leased Property"). To accomplish the Project, the Trustee will acquire a leasehold interest in the Leased Property by leasing the Leased Property from the Town pursuant to this Site Lease and will lease the Leased Property back to the Town pursuant to the Lease.

12. The Trustee and the Town intend that this Site Lease set forth their entire understanding and agreement regarding the terms and conditions upon which the Trustee is leasing the Leased Property from the Town.

13. The Town proposes to enter into this Site Lease with the Trustee as material consideration for the Trustee's agreement to lease the Leased Property to the Town pursuant to the Lease. The Trustee shall prepay in full its rental payments due under this Site Lease which rental payments shall be used by the Town to effect the Project, all pursuant to the Lease and the Indenture.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Site Lease and Terms. The Town hereby demises and leases to the Trustee and the Trustee hereby leases from the Town, on the terms and conditions hereinafter set forth, the Leased Property, subject to Permitted Encumbrances as described in **Exhibit B** hereto.

The term of this Site Lease shall commence on the date hereof and shall end on December 1, 20[] (the "Site Lease Termination Date"), unless such term is sooner terminated as hereinafter provided. If, prior to the Site Lease Termination Date, the Trustee has transferred and conveyed the Trustee's leasehold interests in all of the Leased Property pursuant to Article 11 of the Lease as a result of the Town's payment of (a) the applicable Purchase Option Price thereunder; or (b) all Base Rentals and Additional Rentals, all as further provided in Section 11.2 of the Lease, then the term of this Site Lease shall end in connection with such transfer and conveyance.

The term of any sublease of the Leased Property or any portion thereof, or any assignment of the Trustee's interest in this Site Lease, pursuant to Section 5 hereof, the Lease and the Indenture, shall not extend beyond December 1, 20[]. At the end of the term of this Site Lease, all right, title and interest of the Trustee, or any sublessee or assignee, in and to the Leased Property, shall terminate. Upon such termination, the Trustee and any sublessee or assignee shall execute and deliver to the Town any necessary documents releasing, assigning,

transferring and conveying the Trustee's, sublessee's or assignees' respective interests in the Leased Property.

Section 2. Rental. The Trustee has paid to the Town and the Town hereby acknowledges receipt from the Trustee as and for rental hereunder, paid in advance, the sum of \$[_____], as and for all rent due hereunder, and other good and valuable consideration, the receipt and the sufficiency of which are hereby acknowledged. The Town hereby determines that such amount is reasonable consideration for the leasing of the Leased Property to the Trustee for the term of this Site Lease.

Section 3. Purpose. The Trustee shall use the Leased Property solely for the purpose of leasing the Leased Property back to the Town pursuant to the Lease and for such purposes as may be incidental thereto; provided, that upon the occurrence of an Event of Nonappropriation or an Event of Lease Default and the termination of the Lease, the Town shall vacate the Leased Property, as provided in the Lease, and the Trustee may exercise the remedies provided in this Site Lease, the Lease and the Indenture.

Section 4. Owner in Fee. The Town represents that (a) it is the owner in fee of the Leased Property, subject only to Permitted Encumbrances as described in **Exhibit B** hereto, and (b) the Permitted Encumbrances do not and shall not interfere in any material way with the Leased Property.

Section 5. Sales, Assignments and Subleases. Unless an Event of Nonappropriation or an Event of Lease Default shall have occurred and except as may otherwise be provided in the Lease, the Trustee may not sell or assign its rights and interests under this Site Lease or sublet all or any portion of the Leased Property, without the written consent of the Town.

In the event that (a) the Lease is terminated for any reason and (b) this Site Lease is not terminated, the Trustee may sublease the Leased Property or any portion thereof, or sell or assign the Trustee' leasehold interests in the Leased Property, pursuant to the terms of the Indenture, and any purchasers from or sublessees or assignees of the Trustee may sell or assign its respective interests in the Leased Property, subject to the terms of this Site Lease, the Lease and the Indenture. The Town and the Trustee (or any purchasers from or assignees or sublessees of the Trustee) agree that, except as permitted by this Site Lease, the Lease and the Indenture and except for Permitted Encumbrances (including purchase options under the Lease), neither the Town, the Trustee, nor any purchasers from or sublessees or assignees of the Trustee will sell, mortgage or encumber the Leased Property or any portion thereof during the term of this Site Lease.

The Trustee and any other person who has the right to use the Leased Property under this Site Lease, at its own expense, may install equipment and other personal property in or on any portion 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.

Section 6. Right of Entry. Subject to the terms of the documents described in **Exhibit B**, to the extent that the Lease is terminated and this Site Lease is still in effect, the

Town reserves the right for any of its duly authorized representatives to enter upon the Leased Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 7. Partial Release; Termination. The Trustee agrees that upon the amortization of certain portions of the Leased Property pursuant to the provisions of Section 11.4 and Exhibit E of the Lease, the Trustee will quit and surrender such portions of the Leased Property as designated therein, and the Trustee shall execute all necessary documents releasing such portion of the Leased Property from the provisions of this Site Lease.

The Trustee agrees, upon the termination of this Site Lease, to quit and surrender all of the Leased Property, and agrees that any permanent improvements and structures existing upon the Leased Property at the time of the termination of this Site Lease shall remain thereon.

Section 8. Termination. The Trustee agrees, upon the termination of this Site Lease, to quit and surrender all of the Leased Property, and agrees that any permanent improvements and structures existing upon the Leased Property at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the Town.

Section 9. Default. In the event the Trustee shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Trustee, the Town may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease shall be deemed to occur as a result thereof and that so long as any Certificates are Outstanding and unpaid under the Indenture, the Base Rentals due under the Lease shall continue to be paid to the Trustee except as otherwise provided in the Lease. In addition, so long as any of the Certificates are Outstanding, this Site Lease shall not be terminated except as described in Section 1 hereof.

Section 10. Quiet Enjoyment and Acknowledgment of Ownership. The Trustee at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy the Leased Property, subject to the provisions of the Lease and the Indenture, and the Town hereby acknowledges that the Trustee shall have a leasehold interest in all improvements or additions to be built on the Leased Property subject to this Site Lease, the Lease and the Indenture.

Section 11. Trustee's Disclaimer. It is expressly understood and agreed that (a) this Site Lease is executed by UMB Bank, n.a. solely in its capacity as Trustee under the Indenture, and (b) nothing herein shall be construed as creating any liability on UMB Bank, n.a. other than in its capacity as Trustee under the Indenture. All financial obligations of the Trustee under this Site Lease, except those resulting from its willful misconduct or negligence, are limited to the Trust Estate.

Section 12. Taxes; Maintenance; Insurance. During the Lease Term of the Lease and in accordance with the provisions of the Lease, including Sections 8.1 and 8.3 thereof, the Town covenants and agrees to pay any and all taxes, assessments or governmental charges due in respect of the Leased Property and all maintenance costs and utility charges in connection with the Leased Property. In the event that (a) the Lease is terminated for any reason, and (b) this Site

Lease is not terminated, the Trustee, or any purchaser, sublessee or assignee of the Leased Property (including the leasehold interests of the Trustee resulting from this Site Lease) shall pay or cause to be paid when due, all such taxes, assessments or governmental charges and maintain the Leased Property in good condition and working order. Any such payments that are to be made by the Trustee shall be made solely from (a) the proceeds of such sale, subleasing or assignment, (b) from the Trust Estate, or (c) from other moneys furnished to the Trustee under Section 8.02(m) of the Indenture.

The provisions of the Lease shall govern with respect to the maintenance of insurance hereunder during the Lease Term of the Lease. In the event that (a) the Lease is terminated for any reason, and (b) this Site Lease is not terminated, the Trustee, or any sublessee, purchaser or assignee of the Leased Property shall obtain and keep in force, (i) commercial general liability insurance against claims for personal injury, death or damage to property of others occurring on or in the Leased Property in an amount not less than \$990,000 and (ii) property insurance in an amount not less than the full replacement value of the improvements and structures constituting the Leased Property. Any such insurance that is to be obtained by the Trustee shall be paid for solely from (a) the proceeds of such sale, subleasing or assignment, (b) the Trust Estate, or (c) other moneys furnished to the Trustee under Section 8.02(m) of the Indenture. All such insurance shall name the Trustee, any sublessee, purchaser or assignee and the Town as insureds. The Town and the Trustee shall waive any rights of subrogation with respect to the Trustee, any sublessee, purchaser or assignee, and the Town, and their members, directors, officers, agents and employees, while acting within the scope of their employment and each such insurance policy shall contain such a waiver of subrogation by the issuer of such policy.

Section 13. Damage, Destruction or Condemnation. The provisions of the Lease shall govern with respect to any damage, destruction or condemnation of the Leased Property during the Lease Term of the Lease. In the event that (a) the Lease is terminated for any reason and (b) this Site Lease is not terminated, and either (i) the Leased Property or any portion thereof is damaged or destroyed, in whole or in part, by fire or other casualty, or (ii) title to or use of the Leased Property or any part thereof shall be taken under the exercise of the power of eminent domain, the Town and the Trustee, or any sublessee, purchaser or assignee of the Leased Property from the Trustee shall cause the Net Proceeds of any insurance claim or condemnation award to be applied in accordance with the provisions of Article 9 of the Lease.

Section 14. Hazardous Substances. Except for customary materials necessary for operation, cleaning and maintenance of the Leased Property, none of the Town, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee shall cause or permit any Hazardous Substance to be brought upon, generated at, stored or kept or used in or about the Leased Property without prior written notice to the Town and the Trustee and all Hazardous Substances, including customary materials necessary for construction, operation, cleaning and maintenance of the Leased Property, will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Substance so brought upon or used or kept on or about the Leased Property. If the presence of Hazardous Substance on the Leased Property caused or permitted by the Town, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, results in contamination of the Leased Property, or if contamination of the Leased Property by Hazardous Substance otherwise occurs for which the Town, the Trustee or any sublessee or assignee of the Leased Property, as the case

may be, is legally liable for damage resulting therefrom, then the Town, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, shall reimburse the other party for its reasonable and necessary legal expenses to defend the parties hereto or assignees hereof that have not caused or permitted such contamination and are not so legally liable with respect to this Site Lease from claims for damages, penalties, fines, costs, liabilities or losses; provided that the cost of such defense, (a) in the case of the Trustee, shall be payable solely from the Trust Estate, or (b) in the case of the Town, shall be payable only if the cost of such defense has been annually appropriated by the Town. This duty to reimburse legal expenses is not an indemnification. It is expressly understood that none of the Town, the Trustee or any sublessee, purchaser or assignee is indemnifying any other person with respect to this Site Lease. Without limiting the foregoing, if the presence of any Hazardous Substance on the Leased Property caused or permitted by:

(a) the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, results in any contamination of the Leased Property, the Trustee or any sublessee, purchaser or assignee of the Leased Property from the Trustee, as the case may be, shall provide prior written notice to the Town and the Trustee and promptly take all actions, solely at the expense of the Trust Estate as are necessary to effect remediation of the contamination in accordance with legal requirements; or

(b) the Town, results in any contamination of the Leased Property, the Town shall provide prior written notice to the Trustee and promptly take all actions, solely at the expense of the Town, which expenses shall constitute Additional Rentals, as are necessary to effect remediation of the contamination in accordance with legal requirements.

Section 15. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 16. No Merger. The Town and the Trustee intend that the legal doctrine of merger shall have no application to this Site Lease and that neither the execution and delivery of the Lease by the Trustee and the Town nor the exercise of any remedies under this Site Lease or the Lease shall operate to terminate or extinguish this Site Lease or the Lease, except as specifically provided herein and therein.

Section 17. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed shall be made by United States registered mail, return receipt requested, postage prepaid, at the addresses indicated in the Lease, or to such other addresses as the respective parties may from time to time designate in writing.

Section 18. Recitals. The Recitals set forth in this Site Lease are hereby incorporated by this reference and made a part of this Site Lease.

Section 19. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

Section 20. Execution. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same Site Lease.

Section 21. Governing Law. This Site Lease shall be governed by and construed in accordance with the law of the State of Colorado without regard to choice of law analysis.

Section 22. No Waiver of Governmental Immunity. No provision of this Site Lease shall act or be deemed to be a waiver by the Town of the Colorado Governmental Immunity Act, CRS 24-10-101, et seq.

IN WITNESS WHEREOF, the Town and the Trustee have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

TOWN OF BRECKENRIDGE,
COLORADO,
as Lessor

UMB BANK, N.A., solely in its capacity as
Trustee under the Indenture, as Lessee

By: _____
Mayor

By: _____
Vice President

[SEAL]

ATTEST:

Town Clerk

STATE OF COLORADO)
)
SUMMIT COUNTY) SS.
)
TOWN OF BRECKENRIDGE)

The foregoing instrument was acknowledged before me this ____ day of March, 2016, by John G. Warner and Helen Cospolich, as Mayor and Town Clerk, respectively, of Town of Breckenridge, Colorado.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:

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

The foregoing instrument was acknowledged before me this ____ day of March, 2016, by Casey Gunning, as Vice President of UMB Bank, n.a., as Trustee.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:

EXHIBIT A

DESCRIPTION OF THE LEASED PROPERTY:

The Leased Property consists of the real property and the buildings and improvements located thereon as set forth below, as amended from time to time.

Legal Description:

Town Hall:

150 Ski Hill Road, Breckenridge, Colorado, 80424

- A. Land
LOT 1, SAWMILL STATION SQUARE, FILING NO. 1, AMENDMENT NO. 2, ACCORDING TO THE PLAT RECORDED DECEMBER 14, 1990 UNDER RECEPTION NO. 397221, COUNTY OF SUMMIT, STATE OF COLORADO.

- B. Buildings
The Town Hall, located at 150 Ski Hill Road, Breckenridge, Colorado, 80424. The Town Hall was built in 1981 and expanded in 1991. It is an approximately 16,184 square-foot building including office and meeting space.

Community Center:

103 South Harris Street, Breckenridge, Colorado, 80424

LOTS 1 THROUGH 9, BLOCK 2, YINGLING & MICKLES ADDITION, AND THAT PORTION OF THE KLACK GULCH PLACER, U.S. MINERAL SURVEY NO. 1224 SITUATE BETWEEN WASHINGTON AVENUE AND LINCOLN AVENUE AND BOUNDED ON THE WEST BY BLOCK 4, ABBETT ADDITION AND ON THE EAST BY BLOCK 2, Y & M ADDITION, ALL IN THE TOWN OF BRECKENRIDGE, COUNTY OF SUMMIT, STATE OF COLORADO.

EXHIBIT B

PERMITTED ENCUMBRANCES

“Permitted Encumbrances” means, as of any particular time: (a) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pending contest pursuant to the provisions of the Lease; (b) this Site Lease, the Lease, the Indenture and any related fixture filing and any liens arising or granted pursuant to the Lease or the Indenture; (c) utility, access and other easements and rights of way, licenses, permits, party wall and other agreements, restrictions and exceptions which the President or the Town Representative certifies will not materially interfere with or materially impair the Leased Property, including rights or privileges in the nature of easements, licenses, permits and agreements as provided in the Lease; and (d) the easements, covenants, restrictions, liens and encumbrances (if any) to which title to the Leased Property was subject when leased to the Trustee pursuant to this Site Lease, as shown below and which do not interfere in any material way with the Leased Property.

The easements, covenants, restrictions, liens and encumbrances (if any) to which title to the Leased Property was subject when leased to the Trustee pursuant to this Site Lease are as follows:

1. Liens for ad valorem taxes and special assessments not then delinquent, if applicable.
2. This Site Lease.
3. The Lease.
4. All other encumbrances appearing of record on the date hereof.

AFTER RECORDATION PLEASE RETURN TO:

Butler Snow LLP
1801 California Street, Suite 5100
Denver, Colorado 80202
Attention: Kimberley K. Crawford, Esq.

Pursuant to Section 39-13-104(1)(j), Colorado Revised Statutes, this Lease Purchase Agreement is exempt from the documentary fee.

LEASE PURCHASE AGREEMENT

DATED AS OF MARCH __, 2016

**BETWEEN
UMB BANK, N.A.,
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE INDENTURE IDENTIFIED HEREIN,
AS LESSOR**

AND

**TOWN OF BRECKENRIDGE, COLORADO,
AS LESSEE**

This Table of Contents is not a part of this Lease and is only for convenience of reference.

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This LEASE PURCHASE AGREEMENT, dated as of March __, 2016 (this “Lease”), is by and between UMB Bank, n.a., a national banking association duly organized and validly existing under the laws of the United States of America, solely in its capacity as trustee under the Indenture (the “Trustee”), as lessor, and the Town of Breckenridge, Colorado, a Colorado home rule municipality (the “Town”), as lessee.

PREFACE

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

RECITALS

1. The Town has been duly organized and is validly existing as a home rule municipality under the Constitution of the State of Colorado and the Charter of the Town (the “Charter”).

2. The Town is authorized by Article XX, Section 6 of the Colorado Constitution and its Charter to enter into rental or leasehold agreements in order to provide necessary land, buildings, equipment and other property for governmental or proprietary purposes.

3. Pursuant to Section 11.10 of the Charter, the Town is authorized to enter into lease-purchase and installment-purchase agreements as a means of acquiring any real or personal property for public purposes.

4. Pursuant to Section 15.4 of the Charter, the Town Council of the Town (the “Council”) is authorized to lease, for such time as the Council shall determine, real or personal property to or from any person, firm or corporation, public and private, governmental or otherwise.

5. For the purpose of financing the cost of certain public improvements of the Town (the “Prior Projects”), the Town has previously executed and delivered:

- A. A Lease Purchase Agreement dated as of December 1, 2000 (the “Original Lease”), by and between the Town and the Town of Breckenridge Finance Authority, as Lessor (the “Authority”); a First Amendment to Lease Purchase Agreement dated as of October 1, 2005 (the “First Amendment”), by and between the Town and the Authority, as Lessor; and a Second Amendment to Lease Purchase Agreement dated as of December 1, 2007 (the “Second Amendment”), by and between the Town and the Authority as Lessor (together, the Original Lease, the First Amendment and the Second Amendment Agreement are the “Prior Leases”); and
- B. A Mortgage and Indenture of Trust dated as of December 1, 2000 (the “Original Indenture”), by and between the Authority and The Bank of Cherry Creek, N.A. (now UMB Bank, n.a.), as Trustee; a First Supplemental Mortgage and Indenture of Trust (the “First Supplement”),

by and between the Authority and American National Bank, successor to The Bank of Cherry Creek, N.A., (now UMB Bank, n.a.) as Trustee; and a Second Supplemental Mortgage and Indenture of Trust (the “Second Supplement”), by and between the Authority and American National Bank (now UMB Bank, n.a.), as Trustee (together, the Original Indenture, the First Supplement and the Second Supplement are the “Prior Indentures”); and

- C. Special Warranty Deed dated as of December 13, 2000, conveying the Town Hall building and site from the Town to the Authority as security for the Original Lease (the “2000 Leased Property”) and Special Warranty Deed dated as of November 1 2005, conveying the Police building and site from the Town to the Authority as security for the 2005 Amendment (the “2005 Leased Property”).

6. Pursuant to the 2005 Supplement, there were executed and delivered certain Certificates of Participation, Series 2005, in the original principal amount of \$4,005,000, of which \$2,400,000 is outstanding (the “2005 Certificates”).

7. The Council has determined that it is in the best interest of the Town and its inhabitants that the Town refinance the 2005 Certificates by exercising its purchase option as provided in the 2005 Amendment and to refund and defease all of the outstanding 2005 Certificates (the “Refunding Project”).

8. In connection with the Refunding Project, the 2000 Leased Property will be released from the terms and provisions of the Prior Leases and the Prior Indentures and the Authority’s interest in the 2000 Leased Property will be conveyed to the Town.

9. For the functions or operation of the Town, it is necessary that the Town finance the acquisition, construction, installation, equipping of various public improvements, including any legally permitted costs and expenditures in connection therewith, all for public purposes, and as authorized by law (the “Improvement Project”).

10. The Council has determined that it is in the best interests of the Town and its inhabitants to execute this Lease and the Site Lease to provide for the Refunding Project and the Improvement Project (collectively, the “Project”).

11. Upon the release of the 2000 Leased Property, the Town will own, in fee title, the Site and the premises, buildings and improvements located thereon, including the Town Hall and the Community Center (as more particularly described in **Exhibit A** attached hereto (collectively, the “Leased Property”). To accomplish the Project, the Trustee, solely in its capacity of Trustee under the Indenture, will acquire a leasehold interest in the Leased Property by leasing the Leased Property from the Town pursuant to a Site Lease (the “Site Lease”) and will lease the Leased Property back to the Town pursuant to this Lease.

12. The payment by the Town of Base Rentals and Additional Rentals hereunder in any future Fiscal Year is subject to specific Appropriations and the renewal by the Council of

this Lease for such future Fiscal Year. The Base Rentals and Additional Rentals payable by the Town under this Lease shall constitute current expenditures of the Town.

13. Neither this Lease nor the payment by the Town of Base Rentals or Additional Rentals hereunder shall be deemed or construed as creating an indebtedness of the Town within the meaning of any provision of the Colorado constitution, the Charter or the laws of the State of Colorado concerning or limiting the creation of indebtedness by the Town, and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation of the Town within the meaning of Article X, Section 20(4) of the Colorado constitution or a mandatory charge or requirement against the Town in any ensuing Fiscal Year beyond the then current Fiscal Year. The obligation of the Town to pay Base Rentals and Additional Rentals hereunder shall be from year to year only, shall constitute currently budgeted expenditures of the Town, shall not constitute a mandatory charge or requirement in any ensuing budget year, nor a mandatory payment obligation of the Town in any ensuing Fiscal Year beyond any Fiscal Year during which this Lease shall be in effect. In the event that this Lease is not renewed, the sole security available to the Trustee, as lessor hereunder, shall be the Leased Property.

14. Contemporaneously with the execution and delivery of the Site Lease and this Lease, the Trustee will execute and deliver an Indenture of Trust (the "Indenture") pursuant to which there will be executed and delivered certain certificates of participation (the "Certificates") dated as of their date of delivery that shall evidence proportionate interests in the right to receive certain Revenues (as defined in this Lease), shall be payable solely from the sources therein provided and shall not directly or indirectly obligate the Town to make any payments beyond those appropriated for any fiscal year during which this Lease shall be in effect.

15. The net proceeds of the Certificates, together with other available money of the Town, will be applied to finance the Improvement Project and the Refunding Project and the costs of issuance related thereto.

16. The Council has determined that it is in the best interests of the Town and its inhabitants to execute and deliver the Site Lease and this Lease to finance the Improvement Project and the Refunding Project and to pay the costs of issuance in connection therewith.

17. The Trustee and the Town intend that this Lease set forth their entire understanding and agreement regarding the terms and conditions upon which the Town is leasing the Leased Property from the Trustee.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the Trustee and the Town agree as follows:

**ARTICLE 1
DEFINITIONS**

Section 1.1 Certain Funds and Accounts. All references herein to any funds and accounts shall mean the funds and accounts so designated which are established under the Indenture.

Section 1.2 Definitions. All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Indenture, unless the context otherwise requires. Capitalized terms used herein shall have the following meanings under this Lease:

“Additional Certificates” means Additional Certificates which may be executed and delivered pursuant to the Indenture.

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

(a) (i) reasonable expenses and fees of the Trustee related to the performance or discharge of its responsibilities under the provisions of this Lease, the Site Lease or the Indenture, including the reasonable fees and expenses of any person or firm employed by the Town to make rebate calculations under the provisions of Section 3.05 of the Indenture and the expenses of the Trustee in respect of any policy of insurance or surety bond obtained in respect of the Certificates executed and delivered with respect to this Lease, (ii) the cost of insurance premiums and insurance deductible amounts under any insurance policy reasonably deemed necessary to protect the Trustee from any liability under this Lease, and approved by the Town Representative, which approval shall not be unreasonably withheld, (iii) reasonable legal fees and expenses incurred by the Trustee to defend the Trust Estate or the Trustee from and against any legal claims, and (iv) reasonable expenses and fees of the Trustee incurred at the request of the Town Representative;

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

(c) payments into any account of the Reserve Fund, payments to any surety provider as a result of draws of amounts under a Qualified Surety Bond and rebate payments as provided in this Lease;

(d) payments due and owing to the insurer of any Certificates; and

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

Additional Rentals shall not include Base Rentals.

“Appropriation” means the action of the Council in annually making moneys available for all payments due under this Lease, including the payment of Base Rentals and Additional Rentals.

“Base Rentals” means the rental payments payable by the Town during the Lease Term, which constitute payments payable by the Town for and in consideration of the right to possess and use the Leased Property as set forth in Exhibit C (Base Rentals Schedule) hereto. Base Rentals does not include Additional Rentals.

“Base Rentals Payment Dates” means the Base Rentals Payment Dates set forth in Exhibit C (Base Rentals Schedule) hereto.

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

“Certificates” means the Certificates of Participation, Series 2016, Evidencing Proportionate Interests in the Base Rentals and other Revenues under an annually renewable Lease Purchase Agreement dated as of March __, 2016, between UMB Bank, n.a., solely in its capacity as trustee under the Indenture, as lessor, and the Town, as lessee dated as of their date of delivery.

“Charter” means the home rule charter of the Town, and any amendments or supplements thereto.

“Continuing Disclosure Certificate” means the certificate executed by the Town of even date herewith which constitutes an undertaking pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission.

“Costs of Execution and Delivery” means all items of expense directly or indirectly payable by the Trustee related to the authorization, execution and delivery of the Site Lease and this Lease, the Escrow Agreement and related to the authorization, sale, execution and delivery of the Certificates, as further defined in the Indenture.

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

“Counsel” means an attorney at law or law firm (who may be counsel for the Trustee) who is satisfactory to the Town.

“CRS” means Colorado Revised Statutes.

“Escrow Account” means the Town of Breckenridge, Certificates of Participation, Series 2016, Escrow Account” created in the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated as of its date of execution and delivery, entered into with UMB Bank, n.a., as escrow agent.

“Event(s) of Lease Default” means any event as defined in Section 13.1 of this Lease.

“Event of Nonappropriation” means the termination and non-renewal of this Lease by the Town, resulting from by the Council’s failure, for any reason, to appropriate by the last day of each Fiscal Year, (a) sufficient amounts to be used to pay Base Rentals due in the next Fiscal Year and (b) sufficient amounts to pay such Additional Rentals as are estimated to become due in the next Fiscal Year, as provided in Section 6.4 of this Lease. An Event of Nonappropriation may also occur under certain circumstances described in Section 9.3(c) of this Lease. The term also means a notice under this Lease of the Town’s intention to not renew and therefore terminate this Lease or an event described in this Lease relating to the exercise by the Town of its right to not appropriate amounts due as Additional Rentals in excess of the amounts for which an Appropriation has been previously effected.

“Finance Director” means the Financial Services Manager of the Town or his or her successor in functions, if any.

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

“Force Majeure” means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America, the State of Colorado or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other cause or event not within the control of the Town in its capacity as lessee hereunder or the Trustee.

“Hazardous Substance” means and includes: (a) the terms “hazardous substance,” “release” and “removal” which, as used herein, shall have the same meaning and definition as set forth in paragraphs (14), (22) and (23), respectively, of Title 42 U.S.C. §9601 and in Colorado law, provided, however, that the term “hazardous substance” as used herein shall also include “hazardous waste” as defined in paragraph (5) of 42 U.S.C. §6903 and “petroleum” as defined in paragraph (8) of 42 U.S.C. §6991; (b) the term “superfund” as used herein means the Comprehensive Environmental Response, Compensation and Liability Act, as amended, being Title 42 U.S.C. §9601 et seq., as amended, and any similar State of Colorado statute or local ordinance applicable to the Leased Property, including, without limitation, Colorado rules and regulations promulgated, administered and enforced by any governmental agency or authority pursuant thereto; and (c) the term “underground storage tank” as used herein shall have the same meaning and definition as set forth in paragraph (1) of 42 U.S.C. §6991.

“Improvement Project” means the design, acquisition, construction, renovation, equipping and installing of various capital improvements of the Town, the cost of which is paid or reimbursed from a portion of the proceeds of the Certificates.

“Indenture” means the Indenture of Trust, dated as of March __, 2016, executed and delivered by the Trustee, as the same may be amended or supplemented.

“Initial Term” means the period which commences on the date of delivery of this Lease and terminates on December 31, 2016.

“Interest Portion” means the portion of each Base Rentals payment that represents the payment of interest set forth in **Exhibit C** (Base Rentals Schedule) hereto.

“Lease” means this Lease Agreement, dated as of March __, 2016, between the Trustee, as lessor, and the Town, as lessee, as the same may hereafter be amended.

“Lease Remedy” or “Lease Remedies” means any or all remedial steps provided in this Lease whenever an Event of Lease Default or an Event of Nonappropriation has happened and is continuing, which may be exercised by the Trustee as provided in this Lease and in the Indenture.

“Lease Term” means the Initial Term and any Renewal Terms as to which the Town may exercise its option to renew this Lease by effecting an Appropriation of funds for the payment of Base Rentals and Additional Rentals hereunder, as provided in and subject to the provisions of this Lease. “Lease Term” refers to the time during which the Town is the lessee of the Leased Property under this Lease.

“Leased Property” means the Site and the premises, buildings and improvements situated thereon, including all fixtures attached thereto, as more particularly described in **Exhibit A** to this Lease, together with any and all additions and modifications thereto and replacements thereof, and any New Facility.

“Net Proceeds” means the proceeds of any performance or payment bond, or proceeds of insurance, including self-insurance, required by this Lease or proceeds from any condemnation award, or proceeds derived from the exercise of any Lease Remedy or otherwise following termination of this Lease by reason of an Event of Nonappropriation or an Event of Lease Default, allocable to the Leased Property, less (a) all related expenses (including, without limitation, attorney’s fees and costs) incurred in the collection of such proceeds or award; and (b) all other related fees, expenses and payments due to the Town and the Trustee.

“New Facility” means any real property, buildings or equipment leased by the Town to the Trustee pursuant to a future amendment to the Site Lease and leased back by the Town from the Trustee pursuant to a future amendment to this Lease in connection with the execution and delivery of Additional Certificates.

“Owners” means the registered owners of any Certificates.

“Permitted Encumbrances,” with respect to the Leased Property, means, as of any particular time: (a) liens for taxes and assessments not then delinquent, or liens which may remain unpaid pending contest pursuant to the provisions of this Lease; (b) the Site Lease, this Lease, the Indenture and any related fixture filing and any liens arising or granted pursuant to the Site Lease, this Lease or the Indenture; (c) utility, access and other easements and rights of way, licenses, permits, party wall and other agreements, restrictions and exceptions which the Town Representative certifies will not materially interfere with or materially impair the Leased Property, including rights or privileges in the nature of easements, licenses, permits and

agreements as provided in this Lease; and (d) the easements, covenants, restrictions, liens and encumbrances (if any) to which title to the Leased Property was subject when leased to the Trustee pursuant to the Site Lease, as shown on **Exhibit B** hereto and which do not interfere in any material way with the Leased Property.

“Prepayment” means any amount paid by the Town pursuant to the provisions of this Lease as a prepayment of the Base Rentals due hereunder.

“Principal Portion” means the portion of each Base Rentals payment that represents the payment of principal set forth in **Exhibit C** (Base Rentals Schedule) hereto.

“Project” means the Improvement Project and the Refunding Project.

“Purchase Option Price” means the amount payable on any date, at the option of the Town, to prepay Base Rentals, terminate the Lease Term and purchase the Trustee’s leasehold interest in the Leased Property, as provided herein.

“Qualified Surety Bond” means any insurance policy, surety bond, irrevocable letter of credit or similar instrument deposited in or credited to the Reserve Fund in lieu of or in partial substitution for moneys on deposit therein.

“Refunding Project” means the exercise of the Town’s purchase option with respect to the 2000 Leased Property and the payment, refunding and defeasance of the outstanding 2005 Certificates by depositing a portion of the net proceeds of the Certificates and other available moneys of the Town into the Escrow Account, and the payment of expenses incidental thereto, as provided in this Lease, the Indenture and the Escrow Agreement.

“Renewal Term” means any portion of the Lease Term commencing on January 1 of any calendar year and terminating on or before December 31 of such calendar year as provided in Article 4 of this Lease.

“Reserve Fund” means the special fund maintained under and to be disbursed as provided in Section 3.04 of the Indenture, if any. The Reserve Fund shall secure the payment of the Certificates and any Additional Certificates on a separate basis, if such a reserve fund is otherwise provided in the resolution or indenture authorizing the issuance of Additional Certificates.

“Reserve Fund Requirement” means the least of (i) 10% of the proceeds of the Certificates, (ii) the maximum annual principal and interest payable with respect to the Certificates, or (iii) 125% of the average annual principal and interest payable with respect to the Certificates. For purposes of this definition of Reserve Fund Requirement, the term “proceeds” means the aggregate stated principal amount of such Certificates, unless there is more than a de minimis amount (as defined in Section 1.148-1(b) of the Regulations) of original issue discount or premium, in which case “proceeds” means issue price. The Reserve Fund, if any, shall secure only the Certificates. Separate Reserve Funds shall be established for any series of Additional Certificates issued pursuant to the Indenture.

“Revenues” means (a) all amounts payable by or on behalf of the Town or with respect to the Leased Property pursuant to this Lease including, but not limited to, all Base Rentals,

Prepayments, the Purchase Option Price and Net Proceeds, but not including Additional Rentals (except for payments made by the Town as Additional Rentals to initially fund or replenish the Reserve Fund, if any); (b) any portion of the proceeds of the Certificates deposited into Base Rentals Fund and the Reserve Fund, each created under the Indenture; (c) any moneys which may be derived from any insurance in respect of the Certificates; and (d) any moneys and securities, including investment income, held by the Trustee in the Funds and Accounts established under the Indenture (except for moneys and securities held in the Rebate Fund, the Escrow Account or any other defeasance escrow account).

“Site” means, collectively, the real property owned by the Town and leased by the Town to the Trustee under the Site Lease and subleased by the Trustee to the Town under this Lease, the legal descriptions of which are set forth in **Exhibit A** to this Lease, or an amendment or supplement thereto.

“Site Lease” means the Site Lease Agreement, dated as of March __, 2016, between the Town, as lessor, and the Trustee, as lessee, as the same may hereafter be amended.

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

“Tax Certificate” means the Tax Certificate entered into by the Town with respect to this Lease and the Certificates.

“Tax Code” means the Internal Revenue Code of 1986, as amended, and all regulations and rulings promulgated thereunder.

“Town” means the Town of Breckenridge, Colorado.

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

“Trustee” means UMB Bank, n.a., acting in the capacity of trustee pursuant to the Indenture, and any successor thereto appointed under the Indenture.

“2000 Leased Property” has the meaning ascribed to it in the recitals hereto.

“2005 Certificates” means Certificates of Participation, Series 2005, in the original principal amount of \$4,005,000, and currently outstanding in the aggregate principal amount of \$2,400,000 executed and delivered pursuant to the First Amendment and First Supplement (each as defined in the recitals hereto).

ARTICLE 2
REPRESENTATIONS AND COVENANTS

Section 2.1 Representations and Covenants of the Town. The Town represents and covenants to the Trustee, to the extent allowed by law and subject to renewal of this Lease and Appropriation as set forth in Article 6 hereof, as follows:

(a) The Town is a home rule municipal corporation duly organized and existing within the State under the Constitution and laws of the State and its Charter. The Town is authorized to enter into this Lease, the Site Lease and the Escrow Agreement and to carry out its obligations under this Lease, the Site Lease and the Escrow Agreement. The Town has duly authorized and approved the execution and delivery of this Lease, the Site Lease and all other documents related to the execution and delivery of this Lease and the Site Lease.

(b) The Town owns the Leased Property and the Trustee has a leasehold interest in the Leased Property pursuant to the Site Lease.

(c) The leasing of the Leased Property to the Trustee pursuant to the Site Lease and the leasing or subleasing of the Leased Property from the Trustee, under the terms and conditions provided for in this Lease, and the implementation of the Improvement Project and the Refunding Project by the Town, are necessary, convenient and in furtherance of the Town's governmental purposes and are in the best interests of the citizens and inhabitants of the Town. The Town will apply the net proceeds derived from the proceeds of the Certificates to effectuate the Improvement Project and the Refunding Project.

(d) Neither the execution and delivery of this Lease, the Site Lease, or the Escrow Agreement nor the fulfillment of or compliance with the terms and conditions of this Lease, the Site Lease, or the Escrow Agreement nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Town is now a party or by which the Town or its property is bound, or violates any statute, regulation, rule, order of any court having jurisdiction, judgment or administrative order applicable to the Town, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien or encumbrance whatsoever upon any of the property or assets of the Town, except for Permitted Encumbrances.

(e) The Town agrees that, except for non-renewal and nonappropriation as set forth in Article 6 hereof, if the Town fails to perform any act which the Town is required to perform under this Lease, the Trustee may, but shall not be obligated to, perform or cause to be performed such act, and any reasonable expense incurred by the Trustee in connection therewith shall be an obligation owing by the Town (from moneys for which an Appropriation has been effected) to the Trustee shall be a part of Additional Rentals, and the Trustee shall be subrogated to all of the rights of the party receiving such payment.

(f) There is no litigation or proceeding pending against the Town affecting the right of the Town to execute this Lease, the Site Lease or the Escrow Agreement, or the ability of the Town to make the payments required hereunder or to otherwise comply with the obligations contained herein, or which, if adversely determined, would, in the aggregate or in any case, materially adversely affect the property, assets, financial condition or business of the Town or materially impair the right or ability of the Town to carry on its operations substantially as now conducted or anticipated to be conducted in the future.

(g) Except for customary materials necessary for construction, operation, cleaning and maintenance of the Leased Property, the Town shall not cause or permit any Hazardous Substance to be brought upon, generated at, stored or kept or used in or about the Leased Property without prior written notice to the Trustee, and all Hazardous Substances, including, customary materials necessary for construction, operation, cleaning and maintenance of the Leased Property, will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Substance so brought upon or used or kept in or about the Leased Property. If the presence of any Hazardous Substance on the Leased Property caused or permitted by the Town results in contamination of the Leased Property, or if contamination of the Leased Property by any Hazardous Substance otherwise occurs for which the Town is legally liable for damage resulting therefrom, then the Town shall include as an Additional Rental any amount necessary to reimburse the Trustee for legal expenses incurred to defend (to the extent that an Appropriation for the necessary moneys has been effected by the Town) the Trustee from claims for damages, penalties, fines, costs, liabilities or losses. The reimbursement of the Trustee's legal expenses is not an indemnification. It is expressly understood that the Town is not indemnifying the Trustee and expenses of such defense shall constitute Additional Rentals. Without limiting the foregoing, if the presence of any Hazardous Substance on the Leased Property caused or permitted by the Town results in any contamination of the Leased Property, the Town shall provide prior written notice to the Trustee and promptly take all actions at its sole expense (which expenses shall constitute Additional Rentals) as are necessary to effect remediation of the contamination in accordance with legal requirements.

(h) The Town covenants and agrees to comply with any applicable covenants and requirements of the Town set forth in the Tax Certificate.

Section 2.2 Representations and Covenants of the Trustee. The Trustee represents and covenants as follows:

(a) The Trustee is a national banking association duly organized and existing under the laws of the United States of America. The Trustee is authorized to enter into the Site Lease, this Lease, the Escrow Agreement, and to execute and deliver the Indenture, and to carry out its obligations hereunder and thereunder.

(b) So long as no Event of Indenture Default has occurred and is then continuing or existing, except as specifically provided in the Site Lease or the Lease or as necessary to transfer the Trust Estate to a successor Trustee, the Trustee shall not pledge or

assign the Trustee's right, title and interest in and to (i) the Lease or the Site Lease, (ii) the Base Rentals, other Revenues and collateral, security interests and attendant rights and obligations which may be derived under the Lease or the Site Lease and/or (iii) the Leased Property and any reversion therein or any of its or the Trustee's other rights under the Lease or the Site Lease or assign, pledge, mortgage, encumber or grant a security interest in its or the Trustee's right, title and interest in, to and under the Lease or the Site Lease or the Leased Property except for Permitted Encumbrances.

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

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

Section 2.3 Nature of Lease. The Town and the Trustee acknowledge and agree that the Base Rentals and Additional Rentals hereunder shall constitute currently budgeted and appropriated expenditures of the Town and may be paid from any legally available funds. The Town's obligations under this Lease shall be subject to the Town's annual right to terminate this Lease (as further provided herein), and shall not constitute a mandatory charge or requirement in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision of this Lease shall be construed or interpreted as creating a general obligation, multiple fiscal year financial obligation, or other indebtedness of the Town within the meaning of any constitutional, Charter or statutory debt limitation. No provision of this Lease shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the Town within the meaning of Article XI, Sections 1 or 2 of the Colorado constitution. Neither this Lease nor the execution and delivery of the Certificates shall directly or indirectly obligate the Town to make any payments beyond those duly budgeted and appropriated for the Town's then current Fiscal Year. The Town shall be under no obligation whatsoever to exercise its option to purchase the Trustee's interest in the Leased Property. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of Town moneys, nor shall any provision of this Lease restrict the future issuance of any Town bonds or obligations payable from any class or source of Town moneys (provided, however, certain restrictions in the Indenture shall apply to the issuance of Additional Certificates). In the event that this Lease is not renewed by the Town, the sole security available to the Trustee, as lessor hereunder, shall be the Leased Property.

Section 2.4 Town Acknowledgment of Certain Matters. The Town acknowledges the Indenture and the execution and delivery by the Trustee of the Certificates pursuant to the Indenture. The Town also acknowledges the Trustee's authority to act on behalf of the Owners

of the Certificates with respect to all rights, title and interests of the Trustee in, to and under this Lease, the Site Lease and the Leased Property.

Section 2.5 Relationship of Town and Trustee. The relationship of the Town and the Trustee under this Lease is, and shall at all times remain, solely that of lessee and lessor; and the Town neither undertakes nor assumes any responsibility or duty to the Trustee or to any third party with respect to the Trustee's obligations relating to the Leased Property; and the Trustee does not undertake or assumes any responsibility or duty to the Town or to any third party with respect to the Town's obligations relating to the Leased Property. Notwithstanding any other provisions of this Lease: (a) the Town and the Trustee are not, and do not intend to be construed to be, partners, joint ventures, members, alter egos, managers, controlling persons or other business associates or participants of any kind of either of the other, and the Town and the Trustee do not intend to ever assume such status; and (b) the Town and the Trustee shall not be deemed responsible for, or a participant in, any acts, omissions or decisions of either of the other.

ARTICLE 3
LEASE OF THE LEASED PROPERTY

The Trustee demises and leases the Leased Property to the Town and the Town leases the Leased Property from the Trustee, in accordance with the provisions of this Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term.

The Town and the Trustee acknowledge that the Town owns the Leased Property and the Town has leased the Leased Property to the Trustee pursuant to the Site Lease; and the Town and the Trustee intend that there be no merger of the Town's interests as sublessee under this Lease and the Town's ownership interest in the Leased Property so as to cause the cancellation of the Site Lease or this Lease, or an impairment of the leasehold and subleasehold interest intended to be created by the Site Lease and this Lease.

**ARTICLE 4
LEASE TERM**

Section 4.1 Duration of Lease Term. The Lease Term shall commence as of the date hereof. The Initial Term shall terminate on December 31, 2016. This Lease may be renewed, solely at the option of the Town, for ___ Renewal Terms, provided, however, that the Lease Term shall terminate no later than December 31, 20___, except that the Renewal Term beginning on January 1, 20___ shall terminate upon the Town's payment of the final Base Rental payment as set forth in **Exhibit A**. The Town hereby finds that the maximum Lease Term hereunder does not exceed the weighted average useful life of the Leased Property. The Town further determines and declares that the period during which the Town has an option to purchase the Trustee's leasehold interest in the Leased Property (i.e. the entire maximum Lease Term) does not exceed the useful life of the Leased Property.

The Finance Director or other officer of the Town at any time charged with the responsibility of formulating budget proposals for the Town is hereby directed to include in the annual budget proposals submitted to the Council, in any year in which this Lease shall be in effect, items for all payments required for the ensuing Renewal Term under this Lease until such time, if any, as the Town may determine to not renew and terminate this Lease. Notwithstanding this directive regarding the formulation of budget proposals, it is the intention of the Town that any decision to effect an Appropriation for the Base Rentals and Additional Rentals shall be made solely by the Council in its absolute discretion and not by any other official of the Town, as further provided in the following paragraph. During the Lease Term, the Town shall in any event, whether or not the Lease is to be renewed, furnish the Trustee with copies of its annual budget promptly after the budget is adopted.

Not later than December 15 of the then current Initial Term or any Renewal Term the Town Representative shall give written notice (in substantially the form set forth in **Exhibit D** attached hereto) to the Trustee that either:

(a) the Town has effected or intends to effect on a timely basis an Appropriation for the ensuing Fiscal Year which includes (1) sufficient amounts authorized and directed to be used to pay all of the Base Rentals and (2) sufficient amounts to pay such Additional Rentals as are estimated to become due, all as further provided in Sections 6.2, 6.3 and 6.4 of this Lease, whereupon, this Lease shall be renewed for the ensuing Fiscal Year; or

(b) the Town has determined, for any reason, not to renew this Lease for the ensuing Fiscal Year.

Subject to the provisions of Section 6.4(a) hereof, the failure to give such notice shall not constitute an Event of Lease Default, nor prevent the Town from electing not to renew this Lease, nor result in any liability on the part of the Town. The Town's option to renew or not to renew this Lease shall be conclusively determined by whether or not the applicable Appropriation has been made on or before December 31 of each Fiscal Year, all as further provided in Article 6 of this Lease.

The terms and conditions hereof during any Renewal Term shall be the same as the terms and conditions hereof during the Initial Term, except that the Purchase Option Price and the Base Rentals shall be as provided in Article 11 and Exhibit C (Base Rentals Schedule) hereof.

Section 4.2 Termination of Lease Term. The Lease Term shall terminate upon the earliest of any of the following events:

- (a) the expiration of the Initial Term or any Renewal Term during which there occurs an Event of Nonappropriation pursuant to Section 4.1 and Article 6 of this Lease (provided that the Lease Term will not be deemed to have been terminated if the Event of Nonappropriation is cured as provided in Section 6.4 hereof);
- (b) the occurrence of an Event of Nonappropriation under this Lease (provided that the Lease Term will not be deemed to have been terminated if the Event of Nonappropriation is cured as provided in Section 6.4 hereof);
- (c) the conveyance of the Trustee's leasehold interest in the Leased Property under this Lease to the Town upon payment of the Purchase Option Price or all Base Rentals and Additional Rentals, for which an Appropriation has been effected by the Town for such purpose, as provided in Section 11.2(a) or (b) of this Lease; or
- (d) an uncured Event of Lease Default and termination of this Lease under Article 13 of this Lease by the Trustee.

Except for an event described in subparagraph (c) above, upon termination of this Lease, the Town agrees to peacefully deliver possession of the Leased Property to the Trustee.

Termination of the Lease Term shall terminate all unaccrued obligations of the Town under this Lease, and shall terminate the Town's rights of possession under this Lease (except to the extent of the holdover provisions of Sections 6.5 and 13.2(c)(i) hereof, and except for any conveyance pursuant to Article 11 of this Lease). All obligations of the Town accrued prior to such termination shall be continuing until the Trustee gives written notice to the Town that such accrued obligations have been satisfied.

Upon termination of the Lease Term any moneys received by the Trustee in excess of the amounts necessary to terminate and discharge the Indenture, shall be paid to the Town.

The Town shall not have the right to terminate this Lease due to a default by the Trustee under this Lease.

ARTICLE 5
ENJOYMENT OF THE LEASED PROPERTY

Section 5.1 Trustee's Covenant of Quiet Enjoyment. The Trustee hereby covenants that the Town shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the Trustee. The Trustee shall not interfere with the quiet use and enjoyment of the Leased Property by the Town during the Lease Term so long as no Event of Lease Default shall have occurred. The Trustee shall, at the request of the Town and at the cost of the Town, join and cooperate fully in any legal action in which the Town asserts against third parties its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the Town may at its own expense join in any legal action affecting its possession and enjoyment of the Leased Property and shall be joined in any action affecting its liabilities hereunder.

The provisions of this Article 5 shall be subject to the Trustee's right to inspect the Leased Property and the Town's books and records with respect thereto as provided in Section 10.8 hereof.

Section 5.2 Town's Need for the Leased Property; Determinations as to Fair Value and Fair Purchase Price. The Town has determined and hereby determines that it has a current need for the Leased Property. It is the present intention and expectation of the Town that this Lease will be renewed annually until the Trustee's interests in the Site Lease are released and unencumbered title to the Leased Property is acquired by the Town pursuant to this Lease; but this declaration shall not be construed as contractually obligating or otherwise binding the Town. The Town has determined and hereby determines that the Base Rentals under this Lease during the Lease Term for the Leased Property represent the fair value of the use of the Leased Property and that the Purchase Option Price for the Leased Property will represent the fair purchase price of the Trustee's leasehold interest in the Leased Property at the time of the exercise of the option. The Town has determined and hereby determines that the Base Rentals do not exceed a reasonable amount so as to place the Town under an economic compulsion to renew this Lease or to exercise its option to purchase the Trustee's leasehold interest in the Leased Property hereunder. In making such determinations, the Town has given consideration to the estimated current value of the Leased Property, the uses and purposes for which the Leased Property will be employed by the Town, the benefit to the citizens and inhabitants of the Town by reason of the use and occupancy of the Leased Property pursuant to the terms and provisions of this Lease, the Town's option to purchase the Trustee's leasehold interest in the Leased Property and the expected eventual vesting of unencumbered title to the Leased Property in the Town. The Town hereby determines and declares that the period during which the Town has an option to purchase the Trustee's leasehold interest in the Leased Property (i.e., the entire maximum Lease Term for the Leased Property) does not exceed the weighted average useful life of the Leased Property.

**ARTICLE 6
PAYMENTS BY THE TOWN**

Section 6.1 Payments to Constitute Currently Budgeted Expenditures of the Town. The Town and the Trustee acknowledge and agree that the Base Rentals, Additional Rentals and any other obligations hereunder shall constitute currently budgeted expenditures of the Town, if an Appropriation has been effected for such purpose. The Town's obligations to pay Base Rentals, Additional Rentals and any other obligations under this Lease shall be from year to year only (as further provided in Article 4 and Sections 6.2 and 6.4 hereof), shall extend only to moneys for which an Appropriation has been effected by the Town, and shall not constitute a mandatory charge, requirement or liability in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision of this Lease shall be construed or interpreted as a delegation of governmental powers or as creating a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the Town or a general obligation or other indebtedness of the Town within the meaning of any constitutional, Charter provision or statutory debt limitation, including without limitation Article X, Section 20 of the Colorado constitution. No provision of this Lease shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the Town within the meaning of Sections 1 or 2 of Article XI of the Constitution of the State. Neither this Lease nor the Certificates shall directly or indirectly obligate the Town to make any payments beyond those for which an Appropriation has been effected by the Town for the Town's then current Fiscal Year. The Town shall be under no obligation whatsoever to exercise its option to purchase the Trustee's leasehold interest in the Leased Property. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of Town moneys, nor shall any provision of this Lease restrict the future issuance of any Town bonds or obligations payable from any class or source of Town moneys (provided, however, that certain restrictions in the Indenture shall apply to the issuance of Additional Certificates).

Section 6.2 Base Rentals, Purchase Option Price and Additional Rentals.

(a) The Town shall pay Base Rentals for which an Appropriation has been effected by the Town, directly to the Trustee during the Initial Term and any Renewal Term, on the Base Rentals Payment Dates and in the "Total Base Rentals" amounts set forth in Exhibit C (Base Rentals Schedule) attached hereto and made a part hereof. For federal and State income tax purposes, a portion of each payment of Base Rentals for the Certificates is designated and will be paid as interest, and Exhibit C (Base Rentals Schedule) hereto sets forth the Interest Portion of each payment of Base Rentals for the Certificates. The Town shall receive credit against its obligation to pay Base Rentals to the extent moneys are held by the Trustee on deposit in the Base Rentals Fund created under the Indenture and are available to pay Base Rentals. The Town acknowledges that upon receipt by the Trustee of each payment of Base Rentals, the Trustee, pursuant to the terms of the Indenture, is to deposit the amount of such Base Rentals in the Base Rentals Fund.

The Base Rentals set forth in Exhibit C shall be recalculated in the event of the execution and delivery of Additional Certificates as provided in the Indenture and shall also be recalculated in the event of a partial redemption of the Certificates.

(b) The Town may, on any date, pay the then applicable Purchase Option Price for the purpose of terminating this Lease and the Site Lease in whole and purchasing the Trustee's leasehold interest in the Leased Property as further provided in Article 11 of this Lease. Subject to the approval of Special Counsel, the Town may also, at any time during the Lease Term, (1) prepay any portion of the Base Rentals due under this Lease and (2) in connection with such prepayment, recalculate the Base Rentals set forth in **Exhibit C** (Base Rentals Schedule). Any such revised **Exhibit C** (Base Rentals Schedule) shall be prepared by the Town Representative and delivered to the Trustee. The Town shall give the Trustee notice of its intention to exercise either of such options not less than forty-five (45) days in advance of the date of exercise and shall deposit with the Trustee by not later than the date of exercise an amount equal to the Purchase Option Price due on the date of exercise or the applicable amount of Base Rentals to be prepaid. If the Town shall have given notice to the Trustee of its intention to prepay Base Rentals but shall not have deposited the amounts with the Trustee on the date specified in such notice, the Town shall continue to pay Base Rentals which have been specifically appropriated by the Council for such purpose as if no such notice had been given. The Trustee may waive the right to receive forty-five (45) days advance notice and may agree to a shorter notice period in the sole determination of the Trustee.

(c) All Additional Rentals shall be paid by the Town on a timely basis directly to the person or entity to which such Additional Rentals are owed. Additional Rentals shall include, without limitation, the reasonable fees and expenses of the Trustee, reasonable expenses of the Trustee in connection with the Leased Property and for the cost of taxes, insurance premiums, utility charges, maintenance and repair costs and all other expenses expressly required to be paid hereunder, including payments into the Reserve Fund (to the extent the Reserve Fund is cash-funded) or, to the extent that the Reserve Fund is funded with a Qualified Surety Bond as permitted by the Indenture, repayment of draws on any Qualified Surety Bond, and any other amounts due to the insurer of any of the Certificates and the provider of any Qualified Surety Bond, and any Rebate Fund payments required pursuant to this Lease and the Indenture. If any portion of the Reserve Fund is cash-funded as provided in Section 3.04 of the Indenture, to the extent that moneys in the Reserve Fund are applied pursuant to paragraph (a) or (b) of Section 3.04 of the Indenture, the Town will pay to the Trustee, for deposit in the Reserve Fund, as Additional Rentals, such amounts as are required to restore the amount on deposit in the Reserve Fund to the Reserve Fund Requirement within ninety (90) days following the withdrawal of moneys from the Reserve Fund. If Section 3.04 of the Indenture only requires the Reserve Fund to be funded upon the occurrence of certain events, the Town will pay to the Trustee any amounts required to be deposited into the Reserve Fund at the times and in the amounts required by Section 3.04 of the Indenture. All of the payments required by this paragraph are subject to Appropriation by the Town; provided, however, a failure by the Town to budget and appropriate moneys for any of the payments required by this paragraph shall constitute an Event of Nonappropriation.

If the Town's estimates of Additional Rentals for any Fiscal Year are not itemized in the budget required to be furnished to the Trustee under Section 4.1 of this Lease, the Town shall furnish an itemization of such estimated Additional Rentals to the Trustee on or before the 15th day preceding such Fiscal Year.

Section 6.3 Manner of Payment. The Base Rentals, for which an Appropriation has been effected by the Town, and, if paid, the Purchase Option Price, shall be paid or prepaid by the Town to the Trustee at its corporate trust office by wire transfer of federal funds, certified funds or other method of payment acceptable to the Trustee in lawful money of the United States of America to the Trustee at its corporate trust office.

The obligation of the Town to pay the Base Rentals and Additional Rentals as required under this Article 6 and other sections hereof in any Fiscal Year for which an Appropriation has been effected by the Town for the payment thereof shall be absolute and unconditional and payment of the Base Rentals and Additional Rentals in such Fiscal Years shall not be abated through accident or unforeseen circumstances, or any default by the Trustee under this Lease, or under any other agreement between the Town and the Trustee, or for any other reason including without limitation, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Property, commercial frustration of purpose, or failure of the Trustee, to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Lease, it being the intention of the parties that the payments required by this Lease will be paid in full when due without any delay or diminution whatsoever, subject only to the annually renewable nature of the Town's obligation hereunder as set forth in Section 6.1 hereof, and further subject to the Town's rights under Section 8.3 hereof. Notwithstanding any dispute between the Town and the Trustee, the Town shall, during the Lease Term, make all payments of Base Rentals and Additional Rentals in such Fiscal Years and shall not withhold any Base Rentals or Additional Rentals, for which an Appropriation has been effected by the Town, pending final resolution of such dispute (except to the extent permitted by Sections 7.2 and 8.3 hereof with respect to certain Additional Rentals), nor shall the Town assert any right of set-off or counterclaim against its obligation to make such payments required hereunder. No action or inaction on the part of the Trustee shall affect the Town's obligation to pay all Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the Town for such purpose, in such Fiscal Years subject to this Article (except to the extent provided by Sections 7.2 and 8.3 hereof with respect to certain Additional Rentals).

Section 6.4 Nonappropriation. In the event that the Town gives notice that it intends to not renew this Lease as provided by Section 4.1 hereof or the Town shall not effect an Appropriation, on or before December 31 of each Fiscal Year, of moneys to pay all Base Rentals and reasonably estimated Additional Rentals coming due for the next ensuing Renewal Term as provided in Section 4.1 hereof and this Article, or in the event that the Town is proceeding under the provisions of Section 9.3(c) hereof (when applicable), an Event of Nonappropriation shall be deemed to have occurred; subject, however, to each of the following provisions:

(a) In the event the Trustee does not receive the written notice provided for by Section 4.1 hereof or evidence that an Appropriation has been effected by the Town on or before December 31 of a Fiscal Year, then the Trustee shall declare an Event of Nonappropriation on the first Business Day of the February following such Fiscal Year or such declaration shall be made on any earlier date on which the Trustee receives official, specific written notice from the Town that this Lease will not be renewed. In order to declare an Event of Nonappropriation, the Trustee shall send written notice thereof to the Town.

(b) The Trustee shall waive any Event of Nonappropriation which is cured by the Town, within 30 days of the receipt by the Town of notice from the Trustee as provided in (a) above, by a duly effected Appropriation to pay all Base Rentals and sufficient amounts to pay reasonably estimated Additional Rentals coming due for such Renewal Term.

(c) Pursuant to the terms of the Indenture, the Trustee may waive any Event of Nonappropriation which is cured by the Town within a reasonable time with the procedure described in (b) above.

In the event that during the Initial Term or any Renewal Term, any Additional Rentals shall become due which were not included in a duly effected Appropriation and moneys are not specifically budgeted and appropriated or otherwise made available to pay such Additional Rentals within 60 days subsequent to the date upon which such Additional Rentals are due, an Event of Nonappropriation shall be deemed to have occurred, upon notice by the Trustee to the Town to such effect (subject to waiver by the Trustee as hereinbefore provided).

If an Event of Nonappropriation occurs, the Town shall not be obligated to make payment of the Base Rentals or Additional Rentals or any other payments provided for herein which accrue after the last day of the Initial Term or any Renewal Term during which such Event of Nonappropriation occurs; provided, however, that, subject to the limitations of Sections 6.1 and 13.3 hereof, the Town shall continue to be liable for Base Rentals and Additional Rentals allocable to any period during which the Town shall continue to occupy, use or retain possession of the Leased Property.

Subject to Section 6.5 hereof, the Town shall in all events vacate or surrender possession of the Leased Property by March 1 of the Renewal Term in respect of which an Event of Nonappropriation has occurred.

After March 1 of the Renewal Term in respect of which an Event of Nonappropriation has occurred, the Trustee may proceed to exercise all or any Lease Remedies.

The Town acknowledges that, upon the occurrence of an Event of Nonappropriation (a) the Trustee shall be entitled to all moneys then being held in all funds created under the Indenture (except the Rebate Fund, the Escrow Account and any other defeasance escrow accounts) to be used as described therein and (b) all property, funds and rights then held or acquired by the Trustee upon the termination of this Lease by reason of an Event of Nonappropriation are to be held by the Trustee in accordance with the terms of the Indenture.

Section 6.5 Holdover Tenant. If the Town fails to vacate the Leased Property after termination of this Lease, whether as a result of the occurrence of an Event of Nonappropriation or an Event of Lease Default as provided in Section 13.2(a) hereof, with the written permission of the Trustee it will be deemed to be a holdover tenant on a month-to-month basis, and will be bound by all of the other terms, covenants and agreements of this Lease. Any holding over by the Town without the written permission of the Trustee shall be at sufferance. The amount of rent to be paid monthly during any period when the Town is deemed to be a holdover tenant will be equal to (a) one-sixth of the Interest Portion of the Base Rentals coming due on the next

succeeding Base Rentals Payment Date plus one-twelfth of the Principal Portion of the Base Rentals coming due on the next succeeding Base Rentals Payment Date on which a Principal Portion of the Base Rentals would have been payable with appropriate adjustments to ensure the full payment of such amounts on the due dates thereof in the event termination occurs during a Renewal Term plus (b) Additional Rentals as the same shall become due.

Section 6.6 Prohibition of Adverse Budget or Appropriation Modifications. To the extent permitted by law, the Town shall not, during any Fiscal Year of the Lease Term, make any budgetary transfers or other modifications to its then existing budget and appropriation measures relating to the Leased Property or this Lease which would adversely affect the Town's ability to meet its obligation to pay Base Rentals and duly budgeted and appropriated Additional Rentals hereunder.

ARTICLE 7
TITLE TO LEASED PROPERTY;
LIMITATIONS ON ENCUMBRANCES

Section 7.1 Title to the Leased Property; Title Insurance. Title to the Leased Property shall remain in the Town, subject to the Site Lease, this Lease, the Indenture and any other Permitted Encumbrances. Except personal property purchased by the Town at its own expense pursuant to Section 8.2 hereof, title to the Trustee's leasehold interest in the Leased Property and any and all additions and modifications thereto and replacements thereof shall be held in the name of the Trustee, subject to this Lease, the Site Lease and the Indenture, until liquidated, conveyed or otherwise disposed of as provided in Section 7.02 of the Indenture or Article 11 hereof, or until termination of the Site Lease, notwithstanding (i) a termination hereof by the Town by reason of an Event of Nonappropriation as provided in Section 6.4 hereof; (ii) the occurrence of one or more Lease Events of Default as defined in Section 13.1 hereof; (iii) the occurrence of any event of damage, destruction, condemnation, or construction defect, breach of warranty or title defect, as provided in Article 9 hereof; or (iv) the violation by the Trustee of any provision hereof.

Concurrently with the execution and delivery of this Lease, the Trustee shall be provided with one or more commitments for one or more standard Leasehold Owner's title insurance policies issued to the Trustee, insuring the Trustee's leasehold interest in the Leased Property, subject only to Permitted Encumbrances, in an aggregate amount not less than the aggregate principal amount of the Certificates less the amount deposited in the Reserve Fund concurrently with the issuance of the Certificates, if any, or such lesser amount as shall be the maximum insurable value of the Leased Property.

The Town shall have no right, title or interest in the Leased Property or any additions and modifications thereto or replacements thereof, except as expressly set forth in this Lease. The Trustee shall not, in any way, be construed as the owner of the Leased Property.

Section 7.2 No Encumbrance, Mortgage or Pledge of the Leased Property. Except as may be permitted by this Lease, the Town shall not permit any mechanic's or other lien to be established or remain against the Leased Property; provided that, if the Town shall first notify both the Trustee of the intention of the Town to do so, the Town may in good faith contest any mechanic's or other lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee shall notify the Town that, in the opinion of Counsel, by nonpayment of any such items the Trustee's leasehold interest in the Leased Property will be materially endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the Town shall promptly pay and cause to be satisfied and discharged all such unpaid items (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such items). The Trustee will cooperate in any such contest. Except as may be permitted by this Lease, the Town shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, except Permitted Encumbrances. The Town shall promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above.

ARTICLE 8
MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

Section 8.1 Maintenance of the Leased Property by the Town. Subject to its right to not appropriate and as otherwise provided in Section 9.3 hereof, the Town agrees that at all times during the Lease Term, the Town will maintain, preserve and keep the Leased Property or cause the Leased Property to be maintained, preserved and kept, in good repair, working order and condition, and from time to time make or cause to be made all necessary and proper repairs, including replacements, if necessary. The Trustee shall have no responsibility in any of these matters or for the making of any additions, modifications or replacements to the Leased Property.

Section 8.2 Modification of the Leased Property; Installation of Furnishings and Machinery of the Town. The Town shall have the privilege of making substitutions, additions, modifications and improvements to the Leased Property, at its own cost and expense, as appropriate and any such substitutions, additions, modifications and improvements to the Leased Property shall be the property of the Town, subject to the Site Lease, this Lease and the Indenture and shall be included under the terms of the Site Lease, this Lease and the Indenture; provided, however, that such substitutions, additions, modifications and improvements shall not in any way damage the Leased Property or cause the Leased Property to be used for purposes other than lawful governmental functions of the Town (except to the extent of subleasing permitted under Section 12.2 hereof) or cause the Town to violate its tax covenant in Section 10.5 hereof; and provided that the Leased Property, as improved or altered, upon completion of such substitutions, additions, modifications and improvements, shall be of a value not less than the value of the Leased Property immediately prior to such making of substitutions, additions, modifications and improvements.

The Town may also, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in or on the Leased Property. All such machinery, equipment and other tangible property shall remain the sole property of the Town in which the Trustee shall have no interests; provided, however, that title to any such machinery, equipment and other tangible property which becomes permanently affixed to the Leased Property shall be included under the terms of the Site Lease, this Lease and the Indenture. The Town shall have the right to make substitutions to the Leased Property upon compliance with the provisions set forth in Section 10.4 hereof.

Section 8.3 Taxes, Other Governmental Charges and Utility Charges. In the event that the Leased Property shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body, the Town shall pay the amount of all such taxes, assessments and governmental charges then due, as Additional Rentals. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the Town shall be obligated to provide for Additional Rentals only for such installments as are required to be paid during the upcoming Fiscal Year. Except for Permitted Encumbrances, the Town shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property (including, without limitation, any taxes levied upon the Leased Property which, if not paid, will become a charge on the rentals and receipts from the Leased Property, or any interest therein, including the leasehold interests of the Trustee), or the rentals and revenues derived therefrom or hereunder. The Town shall also

pay as Additional Rentals, as the same respectively become due, all utility and other charges and fees and other expenses incurred in the operation, maintenance and upkeep of the Leased Property.

The Town may, at its expense, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments, utility or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the Town that, in the opinion of Counsel, by nonpayment of any such items the value of the Leased Property will be materially endangered or the Leased Property will be subject to loss or forfeiture, or the Trustee will be subject to liability, in which event such taxes, assessments, utility or other charges shall be paid forthwith (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such taxes, assessments, utility or other charges).

Section 8.4 Provisions For Liability and Property Insurance. Upon the execution and delivery of this Lease, the Town shall, at its own expense, cause casualty and property insurance to be carried and maintained with respect to the Leased Property in an amount equal to the estimated replacement cost of the Leased Property or its share of the amount of Certificates Outstanding with respect to each Site, whichever is greater. Such insurance policy or policies may have a deductible clause in an amount deemed reasonable by the Council. The Town may, in its discretion, insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other buildings as well, as long as such blanket insurance policies comply with the requirements hereof. If the Town shall insure against similar risks by self-insurance, the Town may, at its election provide for casualty and property damage insurance with respect to the Leased Property, partially or wholly by means of a self-insurance fund. If the Town shall elect to self-insure, the Town Representative shall annually furnish to the Trustee a certification of the adequacy of the Town's reserves. The Trustee shall be named as additional insured and loss payee on any property insurance.

In addition and upon the execution and delivery of this Lease, the Town shall, at its own expense, cause public liability insurance to be carried and maintained with respect to the activities to be undertaken by and on behalf of the Town in connection with the use of the Leased Property, in an amount not less than the limitations provided in the Colorado Governmental Immunity Act (Article 10, Title 24, Colorado Revised Statutes, as heretofore or hereafter amended). Such insurance may contain deductibles and exclusions deemed reasonable by the Council. The public liability insurance required by this Section may be by blanket insurance policy or policies. If the Town shall insure against similar risks by self-insurance, the Town, at its election may provide for public liability insurance with respect to the Leased Property, partially or wholly by means of a self-insurance fund. If the Town shall elect to self-insure, the Town Representative shall annually furnish to the Trustee a certification of the adequacy of the Town's reserves. The Trustee shall be named as additional insured on any public liability insurance.

Any property damage insurance policy required by this Section shall be so written or endorsed as to make payments under such insurance policy with a value equal to or less than the then current deductible payable to the Town. Property damage payments under such insurance policy in excess of the then current deductible will be designate the Trustee as loss payee. All

certificates evidencing such policies shall be deposited with the Trustee. No agent or employee of the Town shall have the power to adjust or settle any loss with respect to the Leased Property in excess of the deductible amount, whether or not covered by insurance, without the prior written consent of the Trustee.

Upon the initial execution and delivery of this Lease, the Town shall provide certificates of insurance or other appropriate evidence of self-insurance, with appropriate endorsements attached demonstrating that the Trustee have been named as an additional insured on liability coverage, or loss payee on property coverage. A certificate of insurance from the Town or the Town's insurance agent will be acceptable evidence of insurance. Certificates evidencing all insurance policies issued pursuant to this Section shall be deposited with the Trustee.

Section 8.5 Advances. If the Town fails to pay any Additional Rentals during the Lease Term as such Additional Rentals become due, the Trustee may (but shall not be obligated to) pay such Additional Rentals and the Town agrees to reimburse the Trustee to the extent permitted by law and subject to Appropriation as provided under Article 6 hereof.

Section 8.6 Granting of Easements. As long as no Event of Nonappropriation or Event of Lease Default shall have happened and be continuing, the Trustee, shall upon the request of the Town,

(a) consent to the grant of easements, permits, licenses, party wall and other agreements, rights-of-way (including the dedication of public roads) and other rights or privileges in the nature of easements, permits, licenses, party wall and other agreements and rights of way with respect to any property or rights included in this Lease (whether such rights are in the nature of surface rights, sub-surface rights or air space rights), free from this Lease and any security interest or other encumbrance created hereunder or thereunder;

(b) consent to the release of existing easements, permits, licenses, party wall and other agreements, rights-of-way, and other rights and privileges with respect to such property or rights, with or without consideration; and

(c) execute and deliver any instrument necessary or appropriate to grant, enter into or release any such easement, permit, license, party wall or other agreement, right-of-way or other grant or privilege upon receipt of: (i) a copy of the instrument of grant, agreement or release and (ii) a written application signed by the Town Representative requesting such grant, agreement or release and stating that such grant, agreement or release will not materially impair the effective use or materially interfere with the operation of the Leased Property.

ARTICLE 9
DAMAGE, DESTRUCTION AND CONDEMNATION;
USE OF NET PROCEEDS

Section 9.1 Damage, Destruction and Condemnation. If, during the Lease Term,

(a) the Leased Property shall be destroyed (in whole or in part), or damaged by fire or other casualty; or

(b) title to, or the temporary or permanent use of, the Leased Property or the estate of the Town or the Trustee in the Leased Property is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or entity acting under governmental authority; or

(c) a breach of warranty or a material defect in the construction, manufacture or design of the Leased Property becomes apparent; or

(d) title to or the use of all or a portion of the Leased Property is lost by reason of a defect in title thereto.

then the Town shall be obligated to continue to pay Base Rentals and Additional Rentals (subject to Article 6 hereof).

Section 9.2 Obligation to Repair and Replace the Leased Property. The Town and the Trustee, to the extent Net Proceeds are within their respective control, shall cause such Net Proceeds of any insurance policies, performance bonds or condemnation awards, to be deposited in a separate trust fund. All Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the Town, upon receipt of requisitions signed by the Town Representative stating with respect to each payment to be made:

(a) the requisition number;

(b) the name and address of the person, firm or entity to whom payment is due;

(c) the amount to be paid; and

(d) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation.

The Town and the Trustee shall agree to cooperate and use their best reasonable efforts subject to the terms of the Indenture to enforce claims which may arise in connection with material defects in the construction, manufacture or design of the Leased Property or otherwise. If there is a balance of any Net Proceeds allocable to the Leased Property remaining after such

repair, restoration, modification, improvement or replacement has been completed, this balance shall be used by the Town, to:

- (a) add to, modify or alter the Leased Property or add new components thereto, or
- (b) prepay the Base Rentals with a corresponding adjustment in the amount of Base Rentals payable under **Exhibit C** (Base Rentals Schedule) to this Lease or
- (c) accomplish a combination of (a) and (b).

Any repair, restoration, modification, improvement or replacement of the Leased Property paid for in whole or in part out of Net Proceeds allocable to the Leased Property shall be the property of the Town, subject to the Site Lease, this Lease and the Indenture and shall be included as part of the Leased Property under this Lease.

Section 9.3 Insufficiency of Net Proceeds. If the Net Proceeds (plus any amounts withheld from such Net Proceeds by reason of any deductible clause) are insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Leased Property required under Section 9.2 of this Lease, the Town may elect to:

- (a) complete the work or replace such Leased Property (or portion thereof) with similar property of a value equal to or in excess of such portion of the Leased Property and pay as Additional Rentals, to the extent amounts for Additional Rentals which have been specifically appropriated by the Town are available for payment of such cost, any cost in excess of the amount of the Net Proceeds allocable to the Leased Property, and the Town agrees that, if by reason of any such insufficiency of the Net Proceeds allocable to the Leased Property, the Town shall make any payments pursuant to the provisions of this paragraph, the Town shall not be entitled to any reimbursement therefor from the Trustee, nor shall the Town be entitled to any diminution of the Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the Town for such purpose, payable under Article 6 of this Lease; or
- (b) apply the Net Proceeds allocable to the Leased Property to the payment of the Purchase Option Price in accordance with Article 11 of this Lease, or an appropriate portion thereof. In the event of an insufficiency of the Net Proceeds for such purpose, the Town shall, subject to the limitations of Section 6.1 hereof, pay such amounts as may be necessary to equal that portion of the Purchase Option Price which is attributable to the Leased Property for which Net Proceeds have been received (as certified to the Trustee by the Town); and in the event the Net Proceeds shall exceed such portion of the Purchase Option Price, such excess shall be used as directed by the Town in the same manner as set forth in Section 9.2 hereof; or
- (c) if the Town does not timely budget and appropriate sufficient funds to proceed under either (a) or (b) above, an Event of Nonappropriation will be deemed to have occurred and, subject to the Town's right to cure, the Trustee may pursue remedies available to it following an Event of Nonappropriation.

The above referenced election shall be made by the Town within 90 days of the occurrence of an event specified in Section 9.1 of this Lease. It is hereby declared to be the Town's present intention that, if an event described in Section 9.1 hereof should occur and if the Net Proceeds shall be insufficient to pay in full the cost of repair, restoration, modification, improvement or replacement of the Leased Property, the Town would use its best efforts to proceed under either paragraph (a) or paragraph (b) above; but it is also acknowledged that the Town must operate within budgetary and other economic constraints applicable to it at the time, which cannot be predicted with certainty; and accordingly the foregoing declaration shall not be construed to contractually obligate or otherwise bind the Town.

Section 9.4 Cooperation of the Trustee. The Trustee shall cooperate fully with the Town, at the expense of the Town, in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 9.1 of this Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property and the enforcement of all warranties relating to the Leased Property. So long as no Event of Lease Default or Event of Nonappropriation has occurred and is then existing, the Trustee shall not voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim performance or payment bond claim, prospective or pending condemnation proceeding with respect to the Leased Property without the written consent of the Town.

ARTICLE 10
DISCLAIMER OF WARRANTIES; OTHER COVENANTS

Section 10.1 Disclaimer of Warranties. THE TRUSTEE HAS NOT MADE AND WILL NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY. THE TOWN HEREBY ACKNOWLEDGES AND DECLARES THAT THE TOWN IS SOLELY RESPONSIBLE FOR THE OPERATION OF THE LEASED PROPERTY, AND THAT THE TRUSTEE HAS NO RESPONSIBILITY THEREFOR. For the purpose of enabling the Town to discharge such responsibility, the Trustee constitutes and appoints the Town as its attorney in fact for the purpose of asserting and enforcing, at the sole cost and expense of the Town, all manufacturer's warranties and guaranties, express or implied, with respect to the Leased Property, as well as any claims or rights the Trustee may have in respect of the Leased Property against any manufacturer, supplier, contractor or other person. Except as otherwise provided in this Lease, the Trustee shall not be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by the Town of any item, product or service provided for herein except that nothing shall relieve the Trustee's liability for any claims, damages, liability or court awards, including costs, expenses and attorney fees, relating to or arising from the Trustee's actions or omissions or resulting from the negligence, bad faith or intentional misconduct of the Trustee or its employees.

Section 10.2 Further Assurances and Corrective Instruments. The Trustee and the Town agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such amendments hereof or supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property.

Section 10.3 Compliance with Requirements. During the Lease Term, the Town and the Trustee shall observe and comply promptly to the extent possible with all current and future orders of all courts having jurisdiction over the Leased Property, provided that the Town and the Trustee may contest or appeal such orders so long as they are in compliance with such orders during the contest or appeal period, and all current and future requirements of all insurance companies writing policies covering the Leased Property.

Section 10.4 Release and Substitution of Leased Property. So long as no Lease Event of Default or Event of Nonappropriation shall have occurred and is continuing the Trustee shall release any portion of the Leased Property, and shall execute all documents necessary or appropriate to convey or reconvey the same to the Town, free of all restrictions and encumbrances imposed or created by any Site Lease, this Lease or the Indenture, upon receipt by the Trustee of the following: (a) a written request of the Town Representative for such release, describing the portion of the Leased Property to be released; (b) a certificate of the Town Representative certifying (i) that the disposition of the portion of the Leased Property to be released and the substitution therefor of the real property to be substituted for the portion of the Leased Property to be released (if any) will not materially adversely affect the ability of the

Town to operate the Leased Property or to fulfill its obligations under this Lease, (ii) that any real property to be substituted for the portion of the Leased Property to be released will be useful in the operation of the Leased Property, and (iii) that the fair value of any real property to be substituted for the portion of the Leased Property to be released, as determined by the Council in a duly adopted resolution, together with remaining Leased Property and cash to be paid by the Town to the Trustee, if any, is at least equal to the aggregate principal amount of the Certificates then Outstanding; (c) a certified copy of the resolution referred to in clauses (b)(iii); and (d) supplements and amendments to this Lease, the Indenture and any other documents necessary to subject to the lien of the Indenture any real property to be substituted for the portion of the Leased Property to be released. The Town agrees that any cash paid to the Trustee pursuant to the provisions of this Section shall be deposited into the Principal Account or the Interest Account of the Base Rentals Fund, or both such accounts, as directed by the Town.

Section 10.5 Tax Covenants. The Town acknowledges that the moneys in all funds and accounts expected to be created under the Indenture are to be invested or deposited by the Trustee, at the written direction of the Town.

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

In addition, the Town covenants that its direction of investments pursuant to Article 5 of the Indenture shall be in compliance with the procedures established by the Tax Certificate to the extent required to comply with its covenants contained in the foregoing provisions of this Section. The Town hereby agrees that, to the extent necessary, it will, during the Lease Term, pay to the Trustee such sums as are required for the Trustee to pay the amounts due and owing to the United States Treasury as rebate payments. Any such payment shall be accompanied by directions to the Trustee to pay such amounts to the United States Treasury. Any payment of Town moneys pursuant to the foregoing sentence shall be Additional Rentals for all purposes of this Lease.

The Town is to execute the Tax Certificate in connection with the execution and delivery of this Lease, which Tax Certificate shall provide further details in respect of the Town's tax covenants herein.

Section 10.6 Undertaking to Provide Ongoing Disclosure. The Town covenants for the benefit of the Owners of the Certificates to comply with the terms of the Continuing Disclosure Certificate, provided that a failure of the Town to do so shall not constitute an Event of Lease Default. The Trustee shall have no power or duty to enforce this Section. Unless otherwise required by law, no Certificate owner shall be entitled to damages for the Town's non-compliance with its obligations under this Section; however, the Certificate Owners may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Town to comply with its obligations under the Continuing Disclosure Certificate.

Section 10.7 Covenant to Reimburse Legal Expenses. To the extent permitted by law, the Town shall defend and hold harmless the Trustee against claims arising from the alleged negligent acts or omissions of the Town's public employees, which occurred or are alleged to have occurred during the performance of their duties and within the scope of their employment. Such claims shall be subject to the limitations of the Colorado Governmental Immunity Act, C.R.S. 24-10-101 to 24-10-120. The Town shall include as Additional Rentals, the reimbursement of reasonable and necessary expenses incurred by the Trustee to defend the Trustee from and against all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of the Leased Property or from any work or thing done on the Leased Property during the Lease Term requested by the Town, or from any condition of the Leased Property caused by the Town. This duty to reimburse the Trustee's legal expenses is not an indemnification and it is expressly understood that the Town is not indemnifying the Trustee and, as previously stated, is limited to Net Proceeds and moneys, if any, in excess of such Net Proceeds, for which an Appropriation has been effected.

Section 10.8 Access to the Leased Property; Rights to Inspect Books. The Town agrees that the Trustee shall have the right at all reasonable times to examine and inspect the Leased Property (subject to such regulations as may be imposed by the Town for security purposes) and all of the Town's books and records with respect thereto, but the Trustee has no duty to inspect the Leased Property books or records. The Town further agrees that the Trustee shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the Town to perform its obligations under this Lease. The Indenture allows the Town to have the right at all reasonable times to examine and inspect all of the Trustee's books and records with respect to the Leased Property and all funds and accounts held under the Indenture.

The Town and its representatives shall have the right to examine and inspect the books and records of the Trustee relating to the Leased Property at all reasonable times from the date of this Lease and until three years after the termination date of this Lease.

ARTICLE 11 PURCHASE OPTION

Section 11.1 Purchase Option. The Town shall have the option to purchase the Trustee's leasehold interest in the Leased Property, but only if an Event of Lease Default or an Event of Nonappropriation has not occurred and is then continuing. The Town may exercise its option on any date by complying with one of the conditions set forth in Section 11.2.

The Town shall give the Trustee notice of its intention to exercise its option not less than forty-five (45) days in advance of the date of exercise and shall deposit the required moneys with the Trustee on or before the date selected to pay the Purchase Option Price. The Trustee may waive such notice or may agree to a shorter notice period.

If the Town shall have given notice to the Trustee of its intention to purchase the Trustee's leasehold interest in the Leased Property or prepay Base Rentals, but shall not have deposited the amounts with the Trustee on the date specified in such notice, the Town shall continue to pay Base Rentals, which have been specifically appropriated by the Town for such purpose, as if no such notice had been given.

Section 11.2 Conditions for Purchase Option. The Trustee shall transfer and release the Trustee's leasehold interests in the Leased Property to the Town in the manner provided for in Section 11.3 of this Lease; provided, however, that prior to such transfer and release, either:

(a) the Town shall have paid the then applicable Purchase Option Price which shall equal the sum of the amount necessary to defease and discharge the Indenture as provided therein (i.e., provision for payment of all principal and interest portions of any and all Certificates which may have been executed and delivered pursuant to the Indenture shall have been made in accordance with the terms of the Indenture) plus any fees and expenses then owing to the Trustee; or

(b) the Town shall have paid all Base Rentals set forth in **Exhibit C** (Base Rentals Schedule) hereto, for the entire maximum Lease Term, and all then current Additional Rentals required to be paid hereunder.

At the Town's option, amounts then on deposit in any fund held under the Indenture (except the Rebate Fund, the Escrow Account, and excluding any other defeasance escrow funds) may be credited toward the Purchase Option Price.

Section 11.3 Manner of Conveyance. At the closing of the purchase or other conveyance of all of the Trustee's leasehold interest in the Leased Property pursuant to Section 11.2 of this Lease, the Trustee shall release and terminate the Site Lease, this Lease and the Indenture and execute and deliver to the Town any necessary documents releasing, assigning, transferring and conveying the Trustee's leasehold interest in the Leased Property, as they then exist, subject only to the following:

(a) Permitted Encumbrances, other than the Site Lease, this Lease and the Indenture;

(b) all liens, encumbrances and restrictions created or suffered to exist by the Trustee as required or permitted by the Site Lease, this Lease or the Indenture or arising as a result of any action taken or omitted to be taken by the Trustee as required or permitted by the Site Lease, this Lease or the Indenture;

(c) any lien or encumbrance created or suffered to exist by action of the Town; and

(d) those liens and encumbrances (if any) to which title to the Leased Property was subject when leased to the Trustee.

Section 11.4 Partial Release Upon Amortization of the Leased Property. When the principal component of Base Rentals paid by the Town, plus the principal amount of any Certificates redeemed through optional redemption, or the total principal amount of Certificates paid or deemed to be paid pursuant to Article 6 of the Indenture, equals the amount set forth in Exhibit E hereto, the cost of the corresponding portion of the Leased Property set forth in Exhibit E (or of any property substituted for such portion of the Leased Property pursuant to any provision of this Lease) shall be deemed to have been fully amortized and the Trustee shall execute and deliver to the Town all documents necessary to release such portion of the Leased Property from the provisions of the Site Lease (or any property substituted for such portion of the Leased Property pursuant to any provision of this Lease) free and clear of all restrictions and encumbrances. The Trustee shall execute and deliver to the Town all documents necessary or appropriate to convey the Trustee's leasehold interest in such portion of the Leased Property to the Town, free of all restrictions and encumbrances imposed or created by this Lease, the Site Lease or the Indenture, in substantially the manner provided in Section 11.3 hereof. After such release and conveyance, the property so released and conveyed shall no longer be a part of the Leased Property for any purpose of this Lease, the Site Lease or the Indenture. The Trustee shall fully cooperate with the Town in executing, delivering and recording, at the Town's expense, such documents as may be necessary to effectuate the provisions of this Section.

ARTICLE 12
ASSIGNMENT AND SUBLEASING

Section 12.1 Assignment by the Trustee; Replacement of the Trustee. Except as otherwise provided in this Lease and the Indenture, this Lease may not be assigned by the Trustee for any reason other than to a successor by operation of law or to a successor trustee under the Indenture or with the prior written consent of the Town which consent shall not be unreasonably withheld. The Trustee will notify the Town of any assignment to a successor by operation of law.

If an Event of Lease Default or Event of Nonappropriation has occurred and is continuing, the Trustee may act as herein provided, including exercising the remedies set forth in Section 13.2, without the prior written direction of the Town.

Section 12.2 Assignment and Subleasing by the Town. This Lease may not be assigned by the Town for any reason other than to a successor by operation of law. However, the Leased Property may be subleased, as a whole or in part, by the Town, without the necessity of obtaining the consent of the Trustee or any owner of the Certificates subject to each of the following conditions:

- (a) The Leased Property may be subleased, in whole or in part, only to an agency or department of, or a political subdivision of, the State, or to another entity or entities with approval of Special Counsel;
- (b) This Lease, and the obligations of the Town hereunder, shall, at all times during the Lease Term remain obligations of the Town, and the Town shall maintain its direct relationships with the Trustee, notwithstanding any sublease;
- (c) The Town shall furnish or cause to be furnished to the Trustee a copy of any sublease agreement; and
- (d) No sublease by the Town shall cause the Leased Property to be used for any purpose which would cause the Town to violate its tax covenant in Section 10.5 hereof.

ARTICLE 13
EVENTS OF LEASE DEFAULT AND REMEDIES

Section 13.1 Events of Lease Default Defined. Any one of the following shall be Events of Lease Default under this Lease:

- (a) failure by the Town to pay any Base Rentals or Additional Rentals, which have been specifically appropriated by the Town for such purpose, during the Initial Term or any Renewal Term, within five (5) Business Days of the date on which they are due; or
- (b) subject to the provisions of Section 6.5 hereof, failure by the Town to vacate or surrender possession of the Leased Property by March 1 of any Renewal Term in respect of which an Event of Nonappropriation has occurred; or
- (c) failure by the Town to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in (a) or (b), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied shall be received by the Town from the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided that if the failure stated in the notice cannot be corrected within the applicable period, the Trustee shall not withhold its consent to an extension of such time if, corrective action can be instituted by the Town within the applicable period and diligently pursued until the default is corrected; or
- (d) failure by the Town to comply with the terms of the Site Lease.

The foregoing provisions of this Section 13.1 are subject to the following limitations:

- (i) the Town shall be obligated to pay the Base Rentals and Additional Rentals, which have been specifically appropriated by the Town for such purpose, only during the then current Lease Term, except as otherwise expressly provided in this Lease; and
- (ii) if, by reason of Force Majeure, the Town or the Trustee shall be unable in whole or in part to carry out any agreement on their respective parts herein contained other than the Town's agreement to pay the Base Rentals and Additional Rentals due hereunder, the Town or the Trustee shall not be deemed in default during the continuance of such inability. The Town and the Trustee each agree, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the Town or the Trustee from carrying out their respective agreements; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Town.

Section 13.2 Remedies on Default. Whenever any Event of Lease Default shall have happened and be continuing beyond any applicable cure period, the Trustee (subject to its rights and protections under the Indenture) may, or shall at the request of the owners of a majority in aggregate principal amount of the Certificates then Outstanding and upon indemnification as to

costs and expenses as provided in the Indenture, without any further demand or notice, take one or any combination of the following remedial steps:

- (a) terminate the Lease Term and give notice to the Town to vacate and surrender possession of the Leased Property, which vacation and surrender the Town agrees to complete within sixty (60) days from the date of such notice; provided, in the event the Town does not vacate and surrender possession on the termination date, the provisions of Section 6.5 hereof shall apply;
- (b) lease or sublease the Leased Property or sell or assign any interest the Trustee has in the Leased Property, including the Trustee's leasehold interest in the Leased Property;
- (c) recover from the Town:
 - (i) the portion of Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the Town for such purpose, which would otherwise have been payable hereunder, during any period in which the Town continues to occupy, use or possess the Leased Property; and
 - (ii) Base Rentals and Additional Rentals, for which a specific Appropriation has been effected by the Town for such purpose, which would otherwise have been payable by the Town hereunder during the remainder, after the Town vacates and surrenders possession of the Leased Property, of the Fiscal Year in which such Event of Lease Default occurs.
- (d) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the Site Lease, this Lease and the Indenture.

Upon the occurrence of an Event of Nonappropriation, the Trustee shall be entitled to recover from the Town the amounts set forth in Section 13.2(c)(i) hereof if the Town continues to occupy the Leased Property after December 31 of the Fiscal Year in which such Event of Nonappropriation occurs.

The Trustee shall also be entitled, upon any Event of Lease Default, to any moneys in any funds or accounts created under the Indenture (except the Rebate Fund, the Escrow Account or any other defeasance escrow accounts).

Section 13.3 Limitations on Remedies. The remedies in connection with an Event of Lease Default shall be limited as set forth in this Section. A judgment requiring a payment of money may be entered against the Town by reason of an Event of Lease Default only as to the Town's liabilities described in paragraph (c) of Section 13.2 hereof. A judgment requiring a payment of money may be entered against the Town by reason of an Event of Nonappropriation only to the extent that the Town fails to vacate and surrender possession of the Leased Property as required by Section 6.4 of this Lease, and only as to the liabilities described in paragraph (c)(i)

of Section 13.2 hereof. The remedy described in paragraph (c)(ii) of Section 13.2 of this Lease is not available for an Event of Lease Default consisting of failure by the Town to vacate and surrender possession of the Leased Property by March 1 following an Event of Nonappropriation.

Section 13.4 No Remedy Exclusive. Subject to Section 13.3 hereof, no remedy herein conferred upon or reserved to the Trustee, is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved in this Article 13, it shall not be necessary to give any notice, other than such notice as may be required in this Article 13.

Section 13.5 Waivers. The Trustee may waive any Event of Lease Default under this Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. Payment of Base Rentals or Additional Rentals by the Town shall not constitute a waiver of any breach or default by the Trustee hereunder.

Section 13.6 Agreement to Pay Attorneys' Fees and Expenses. In the event that either party hereto shall default under any of the provisions hereof and the nondefaulting party shall employ attorneys or incur other expenses for the collection of Base Rentals or Additional Rentals, or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it shall on demand therefor pay to the nondefaulting party, to the extent permitted by law, the reasonable fees of such attorneys and such other reasonable expenses so incurred by the nondefaulting party. Notwithstanding the foregoing, any such fees and expenses owed by the Town hereunder shall constitute Additional Rentals for all purposes of this Lease and shall be subject to Appropriation.

Section 13.7 Waiver of Appraisalment, Valuation, Stay, Extension and Redemption Laws. To the extent permitted by law, in the case of an Event of Nonappropriation or an Event of Lease Default neither the Trustee nor the Town nor any one claiming through or under either of them shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption laws now or hereafter in force in order to prevent or hinder the enforcement of the Indenture; and the Trustee and the Town, for themselves and all who may at any time claim through or under either of them, each hereby waives, to the full extent that it may lawfully do so, the benefit of all such laws. Notwithstanding the foregoing, it is expressly understood that the Town cannot and does not hereby waive its right to set up, claim or seek to take advantage of its police powers or its Colorado constitutional or statutory right of eminent domain.

**ARTICLE 14
MISCELLANEOUS**

Section 14.1 Sovereign Powers of Town. Nothing in this Lease shall be construed as diminishing, delegating, or otherwise restricting any of the sovereign powers or immunities of the Town. Nothing in this Lease shall be construed to require the Town to occupy and operate the Leased Property other than as lessee, or to require the Town to exercise its right to purchase the Leased Property as provided in Article 11 hereof.

Section 14.2 Notices. All notices, certificates or other communications to be given hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, addressed as follows:

if to the Trustee,

UMB Bank, n.a.
1670 Broadway
Denver, Colorado 80202
Attention: Corporate Trust and Escrow Services

if to the Town,

Town of Breckenridge, Colorado
150 Ski Hill Road
P. O. 168
Breckenridge, Colorado 80424
Attention: Finance Director

The Town and the Trustee may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 14.3 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Trustee and the Town and their respective successors and assigns, subject, however, to the limitations contained in Article 12 of this Lease.

Section 14.4 Amendments. This Lease may only be amended, changed, modified or altered as provided in the Indenture.

Section 14.5 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Base Rentals Fund, the Reserve Fund, the Costs of Execution and Delivery Fund, or any other fund or account created under the Indenture (except the Rebate Fund, the Escrow Account or any other defeasance escrow account), upon termination of the Lease Term, and after payment in full of the Certificates (or provision for payment thereof having been made in accordance with the provisions of this Lease and the Indenture) and reasonable fees and expenses of the Trustee in accordance with this Lease and the Indenture, shall belong to and be paid to the Town by the Trustee, as an overpayment of Base Rentals.

Section 14.6 Triple Net Lease. This Lease shall be deemed and construed to be a “triple net lease” and, subject to the prior Appropriation requirements hereof, the Town shall pay

absolutely net during the Lease Term, the Base Rentals, the Additional Rentals and all expenses of, or other payments in respect of, the Leased Property as required to be paid by the Town under this Lease, for which a specific Appropriation has been effected by the Town for such purpose, free of any deductions, and without abatement, deduction or setoff (other than credits against Base Rentals expressly provided for in this Lease).

Section 14.7 Computation of Time. In computing a period of days, the first day is excluded and the last day is included. If the last day of any period is not a Business Day, the period is extended to include the next day which is a Business Day. If a number of months is to be computed by counting the months from a particular day, the period ends on the same numerical day in the concluding month as the day of the month from which the computation is begun, unless there are not that many days in the concluding month, in which case the period ends on the last day of that month. Notwithstanding the foregoing, Base Rentals shall be recalculated in the event of any prepayment of Base Rentals as provided in Section 6.2(b) hereof.

Section 14.8 Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, shall be a day other than a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Lease.

Section 14.9 Severability. Except for the requirement of the Town to pay Base Rentals for which a specific Appropriation has been effected by the Town for such purpose and the requirement of the Trustee to provide quiet enjoyment of the Leased Property and to convey the Trustee's leasehold interest in the Leased Property to the Town under the conditions set forth in Article 11 of this Lease (which, if held invalid or unenforceable by any court of competent jurisdiction, may have the effect of invalidating or rendering unenforceable the other provisions of this Lease), in the event that any other provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 14.10 Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 14.11 Applicable Law. This Lease shall be governed by and construed in accordance with the law of the State of Colorado.

Section 14.12 Governmental Immunity. Notwithstanding any other provisions of this Lease to the contrary, no term or condition of this Lease shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions of the Colorado Governmental Immunity Act, Section 24-10-101, et. seq., C.R.S., as now or hereafter amended.

Section 14.13 Recitals. The Recitals set forth in this Lease are hereby incorporated by this reference and made a part of this Lease.

Section 14.14 Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Lease.

Section 14.15 Trustee's Disclaimer. It is expressly understood and agreed that (a) the Lease is executed by UMB Bank, n.a. solely in its capacity as Trustee under the Indenture, and (b) nothing herein shall be construed as creating any liability on UMB Bank, n.a. other than in its capacity as Trustee under the Indenture. All financial obligations of the Trustee under this Lease, except those resulting from its willful misconduct or negligence, are limited to the Trust Estate.

Section 14.16 Electronic Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

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

TOWN OF BRECKENRIDGE, COLORADO,
as Lessee

UMB BANK, N.A., solely in its capacity of
Trustee under the Indenture, as Lessor

By: _____
Mayor

By: _____
Vice President

Attest:

By: _____
Town Clerk

[TOWN SEAL]

STATE OF COLORADO)
) ss.
TOWN OF BRECKENRIDGE)
)
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this _____ day of March, 2016, by John G. Warner and Helen Cospolich, as Mayor and Town Clerk, respectively, of the Town of Breckenridge, Colorado.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:

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

The foregoing instrument was acknowledged before me this _____ day of March, 2016, by Casey Gunning, as Vice President of UMB Bank, n.a., as Trustee.

WITNESS my hand and official seal.

(SEAL)

Notary Public

My commission expires:

EXHIBIT A

DESCRIPTION OF LEASED PROPERTY

The Leased Property consists of the Site and the premises, buildings and improvements located thereon (with the exceptions noted below) as set forth below, as amended from time to time.

Town Hall:

150 Ski Hill Road, Breckenridge, Colorado, 80424

- A. Land
LOT 1, SAWMILL STATION SQUARE, FILING NO. 1, AMENDMENT NO. 2, ACCORDING TO THE PLAT RECORDED DECEMBER 14, 1990 UNDER RECEPTION NO. 397221, COUNTY OF SUMMIT, STATE OF COLORADO.
- B. Buildings
The Town Hall, located at 150 Ski Hill Road, Breckenridge, Colorado, 80424. The Town Hall was built in 1981 and expanded in 1991. It is an approximately 16,184 square-foot building including office and meeting space.

Community Center:

103 South Harris Street, Breckenridge, Colorado, 80424

LOTS 1 THROUGH 9, BLOCK 2, YINGLING & MICKLES ADDITION, AND THAT PORTION OF THE KLACK GULCH PLACER, U.S. MINERAL SURVEY NO. 1224 SITUATE BETWEEN WASHINGTON AVENUE AND LINCOLN AVENUE AND BOUNDED ON THE WEST BY BLOCK 4, ABBETT ADDITION AND ON THE EAST BY BLOCK 2, Y & M ADDITION, ALL IN THE TOWN OF BRECKENRIDGE, COUNTY OF SUMMIT, STATE OF COLORADO.

EXHIBIT B
PERMITTED ENCUMBRANCES

“Permitted Encumbrances” as defined in Section 1.2 of this Lease and the following:

- (1) Liens for ad valorem taxes and special assessments not then delinquent, if applicable.
- (2) The Site Lease.
- (3) This Lease.
- (4) All other encumbrances appearing of record on the date hereof.

EXHIBIT C

BASE RENTALS SCHEDULE

<u>Date</u>	Base Rentals Principal Component <u>Certificates</u>	Base Rentals Interest Component <u>Certificates</u>	Annual <u>Base Rentals</u>
05/15/2016(1)			
11/15/2016(1)			
05/15/2017			
11/15/2017			
05/15/2018			
11/15/2018			
05/15/2019			
11/15/2019			
05/15/2020			
11/15/2020			
05/15/2021			
11/15/2021			
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11/15/2032			
05/15/2033			
11/15/2033			
05/15/2034			
11/15/2034			
05/15/2035			
11/15/2035			
TOTAL			

(1) Interest due and payable from the date of issuance through December 1, 20[___], will be paid from proceeds of the Bonds representing capitalized interest.

With respect to Certificates that were sold in the initial offering at a discount, the difference between the stated redemption price of such Certificates at maturity and the initial offering price of those Certificates to the public will be treated as “original issue discount” for federal income tax purposes and will constitute interest on the Certificates. The following portions of principal shall be treated as interest on the Certificates maturing on the following dates:

<u>Maturity Date (12/1)</u>	<u>Portion of Principal Component that is also Interest on Certificates (OID)</u>
---------------------------------	---

Base Rental payments are due on May 15 and November 15 of each year during the Lease Term. The Base Rentals have been calculated on the basis of a 360-day year of twelve 30-day months and any recalculation of Base Rentals under Section 6.2(b) hereof shall be done on the same basis. If Base Rentals are stated to be due on any date that is not a Business Day, such Base Rentals shall be due on the next day that is a Business Day without the accrual of interest on Base Rentals between such dates.

Statement Regarding the Leased Property

The duration of the Lease, throughout the maximum Lease Term, does not exceed the weighted average useful life of the Leased Property and, to the extent that the Leased Property constitutes items of personal property, such items are considered paid from the first Base Rentals described above.

EXHIBIT D

FORM OF NOTICE OF LEASE RENEWAL

To: UMB Bank, n.a., as Trustee
Attention: Corporate Trust and Escrow Services

The undersigned is the Town Representative of the Town of Breckenridge, Colorado (the "Town"). The Town is the lessee under that certain Lease Agreement, dated as of March __, 2016 (the "Lease"), between the Town and UMB Bank, n.a., solely in its capacity of Trustee under the Indenture, as the lessor thereunder. I am familiar with the facts herein certified and am authorized and qualified to certify the same. The undersigned hereby states and certifies:

(a) the Town has effected or intends to effect on a timely basis an Appropriation for the ensuing Fiscal Year which includes (1) sufficient amounts authorized and directed to be used to pay all the Base Rentals and (2) sufficient amounts to pay such Additional Rentals as are estimated to become due, all as further provided in Sections 6.2, 6.3 and 6.4 of the Lease, whereupon, the Lease shall be renewed for the ensuing Fiscal Year;

Initial

or

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

Initial

TOWN OF BRECKENRIDGE, COLORADO

By: _____
Town Representative

EXHIBIT E

RELEASE AND AMORTIZATION SCHEDULE

Portion of the Leased Property^{1,2}	Total amounts of Base Rentals, principal payments and optional prior redemptions which must be made, or of Certificates which must be paid or defeased, to release the Leased Property in the left column	Estimated Year³
Town Hall		
Community Center	Final Payment of Certificates	2035

¹ The order of or value for the release of property as set forth in this schedule is subject to change.

² See the preceding subsection for a description of the respective properties.

³ Assumes no optional or extraordinary redemptions prior to maturity.

1 Pursuant to Section 11.4 of the Lease, when the principal component of Base Rentals paid by the Town, plus the principal amount of Certificates redeemed through optional redemption, or the total amount of Certificates paid or deemed to have been paid, totals the amount set forth in this column, the corresponding portion of the Leased Property will be deemed amortized and shall be released from the lien of the Site Lease, the Lease and the Indenture, provided, however, that the remaining Leased Property shall be at least equal to the aggregate principal amount of the outstanding Certificates.



MEMORANDUM

To: Rick Holman, Town Manager
From: Finance and Municipal Services Dept.
Date: January 14, 2016
Subject: *Summary of Supplemental Appropriations to the 2015 Budget and Rollovers and Supplementals to the 2016 Budget*

A final Resolution describing changes to the original 2015 budget is presented to Council for approval at the January 26, 2016 meeting. Also included in the Council packet is a Resolution to roll over items approved but not completed in the budget year 2015 to the 2016 budget as well as supplemental appropriations to the 2016 budget.

Below is a list of Supplemental Appropriations which have been discussed with and approved by Council over the course of the budget year 2015. The total changes to the 2015 budget are an increase of \$7,267,080 in revenues (\$1,131,080 net of transfers) and \$13,232,820 in expenses (\$7,096,820 net of transfers).

General Fund:

Revenue:

- Parkway Center Feasibility Study Reimbursement \$ 25,250
- Public Safety Grant-Year 1 \$ 50,831
- Sale of Property \$ 999,999

Total: \$1,076,080

Expense:

- Parkway Center Feasibility Study \$ 50,500
- Loan to Open Space Fund-To Pay Off B&B Loan \$2,000,000
- Transit-Black Route \$ 120,820
- Fees for sale of property \$ 20,000
- Campaign Consultant \$ 71,500
- Lake County Solar Garden purchase \$ 504,000

Total: \$2,766,820

Excise Fund:

Expense:

- Transfer to Capital Fund (see project list below): \$ 1,560,000
- Transfer to Special Projects Fund (addtl. BCA funding): \$ 200,000

Total: \$ 1,760,000

Capital Fund:

Revenue:

• Transfer from Excise Fund:	\$ 1,560,000
• County Contribution to Fairview Roundabout	\$ 55,000
Total:	\$ 1,615,000

Expense:

• Breckenridge Grand Vacations Community Center	\$ 544,000
• Breckenridge Theater Addition	\$ 650,000
• Barney Ford Dumpster	\$ 80,000
• Airport Road Pedestrian Lighting	\$ 142,000
• SH 9 Median Landscaping Section "B"	\$ 14,000
• Fairview Roundabout	\$ 110,000
• Landscaping recycle center	\$ 75,000
Total:	\$1,615,000

Golf Fund:

Expense:

• Irrigation Project	\$1,800,000
Total:	\$1,800,000

Affordable Housing:

Expense:

• Transfer to Child Care:	\$2,376,000
Total:	\$2,376,000

Child Care:

Revenue:

• Transfer from Affordable Housing:	\$2,376,000
Total:	\$2,376,000

Open Space:

Revenue:

• Loan from General Fund-To Pay Off B&B Loan:	\$ 2,000,000
Total:	\$ 2,000,000

Expense total:

• Payoff 2005 B&B Loan	\$2,700,000
Total:	\$2,700,000

Special Projects:

Revenue:

• Transfer from Excise	\$ 200,000
Total	\$ 200,000

Expense:

• Wood Chip Pile Processing	\$ 15,000
• Additional BCA funding	\$ 200,000
Total:	\$ 215,000

We are requesting the following rollovers and appropriations to the 2016 budget. The total changes to the 2016 budget are an increase in revenues of \$382,063 (\$249,063 net of transfers) and an increase of \$889,657 in expenditures (\$756,657 net of transfers). These changes are due to projects initiated in 2015 but not completed until 2016, or additional funding requests which have been received since the approval of the 2016 budget in November.

General Fund:

Expense:

• Town Hall Dumpster Enclosure-rollover	\$ 21,000
• Clubhouse Card Reader-rollover	\$ 26,000
• Welcome Center Study-addition	\$ 50,000
• Grant to FIRC-addition	\$ 50,000
Total:	\$ 147,000

Excise Fund:

Expense:

• Transfer to Special Projects-BHA and BCA (see below)	\$ 133,000
• 2016 COP Debt Service Payments (2005 COP Refunding portion)-addition	\$ 278,875
• Reduced 2005 COP Debt Service Payments-addition	\$ (300,343)
Total:	\$ 111,532

Special Projects:

Revenue:

• Transfer from Excise	\$ 133,000
Total:	\$ 133,000

Expense:

• BHA Capital, Lincoln City Restoration-rollover	\$ 18,000
• BHA Capital, Barney Ford Museum-rollover	\$ 15,000
• Breckenridge Creative Arts, WAVE-addition	\$ 100,000
Total:	\$ 133,000

Affordable Housing:

Revenue:

- 50% reimbursement from County for 2016 COPs \$ 249,063

Total: \$ **249,063**

Expense total:

- 2016 COP Debt Service Payments \$ 498,125

Total: \$ **498,125**

Staff will be available at the January 26, 2016 Council work session to answer any questions.

A RESOLUTION

SERIES 2016

A RESOLUTION MAKING SUPPLEMENTAL APPROPRIATIONS TO THE 2015 TOWN BUDGET

WHEREAS, the Town Council of the Town of Breckenridge desires to amend the Town's 2015 budget by making supplemental appropriations in the amount of \$7,267,080 in revenues and \$13,232,820 in expenditures; and

WHEREAS, pursuant to Section 10.12(a) of the Breckenridge Town Charter, the Finance Division, on behalf of the Town Manager, has certified that there are available for appropriation revenues in excess of those estimated in the Town's 2015 budget or revenues not previously appropriated in an amount sufficient for the proposed supplemental appropriations; and

WHEREAS, a public hearing on the proposed supplemental appropriations was held on January 26, 2016, in accordance with the requirements of Section 10.12(a) of the Breckenridge Town Charter.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF BRECKENRIDGE, COLORADO that the 2015 budget is amended, and supplemental appropriations for the amended 2015 Town budget are made as follows:

General Fund Revenues (001):

- Parkway Center Feasibility Study Reimbursement \$ 25,250
- Public Safety Grant-Year 1 \$ 50,831
- Sale of Property \$ 999,999

Total General Fund Revenue Increase: \$1,076,080

General Fund Expense (001):

- Parkway Center Feasibility Study \$ 50,500
- Loan to Open Space to Pay Off B&B Loan \$2,000,000
- Transit-Black Route \$ 120,820
- Fees for Sale of Property \$ 20,000
- Campaign Consultant \$ 71,500
- Solar Garden \$ 504,000

Total General Fund Expenditure Increase: \$2,766,820

Excise Fund Expense (006):

- Transfer to Capital Fund: \$1,560,000
- Transfer to Special Projects Fund: \$ 200,000

Total Excise Fund Expenditure Increase: \$1,760,000

Golf Expense (005):

- Irrigation Project \$1,800,000

Total Golf Fund Expense Increase: \$1,800,000

Affordable Housing Expense (007):

- Transfer to Child Care: \$ 2,376,000

Total Affordable Housing Fund Expense Increase: \$ 2,376,000

Child Care Revenue (016):

- Transfer from Affordable Housing: \$ 2,376,000
- Child Care Revenue Increase: \$2,376,000**

Capital Fund Revenue (003):

- Transfer from Excise Fund: \$1,560,000
 - County Contribution to Fairview Roundabout \$ 55,000
- Total Capital Fund Revenue Increase: \$1,615,000**

Capital Fund Expense (003):

- Breckenridge Grand Vacations Community Center \$ 544,000
 - Breckenridge Theater Addition \$ 650,000
 - Barney Ford Dumpster \$ 80,000
 - Airport Road Pedestrian Lighting \$ 142,000
 - SH 9 Median Landscaping Section "B" \$ 14,000
 - Fairview Roundabout \$ 110,000
 - Landscaping recycle center \$ 75,000
- Total Capital Fund Expenditure Increase: \$1,615,000**

Open Space Revenue (008):

- Loan from General Fund-To Pay Off B&B Loan: \$ 2,000,000
- Total Open Space Fund Revenue Increase: \$ 2,000,000**

Open Space Expense (008):

- Payoff of B&B Loan: \$ 2,700,000
- Total Open Space Fund Expense Increase: \$ 2,700,000**

Special Projects Revenue (013):

- Transfer from Excise: \$ 200,000
- Total Special Project Fund Revenue Increase: \$ 200,000**

Special Projects Expense (013):

- Wood Chip Pile Processing \$ 15,000
 - Additional BCA Funding \$ 200,000
- Total Special Project Fund Expense Increase: \$ 215,000**

This Resolution shall become effective upon its adoption.

RESOLUTION APPROVED AND ADOPTED THIS 26th DAY OF JANUARY 2016.

ATTEST

TOWN OF BRECKENRIDGE

Helen Cospolich, Town Clerk

By _____
John G. Warner, Mayor

APPROVED IN FORM

Town Attorney

Date

A RESOLUTION

SERIES 2016

A RESOLUTION MAKING A SUPPLEMENTAL APPROPRIATION TO THE 2016 TOWN BUDGET

WHEREAS, the Town Council of the Town of Breckenridge desires to amend the Town's 2016 budget to increase it by \$889,657 in expenditures and \$382,063 in revenues; and

WHEREAS, pursuant to Section 10.12(a) of the Breckenridge Town Charter, the Finance Division, on behalf of the Town Manager, has certified that there are available for appropriation revenues in excess of those estimated in the Town's 2016 budget or revenues not previously appropriated in an amount sufficient for the proposed supplemental appropriation; and

WHEREAS, a public hearing on the proposed supplemental appropriation was held on January 26th, 2016, in accordance with the requirements of Section 10.12(a) of the Breckenridge Town Charter.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF BRECKENRIDGE, COLORADO that the 2016 budget is amended, and supplemental appropriations for the amended 2016 Town budget are made as follows:

- Section 1. Supplemental appropriations are made to the General Fund. Expenses in the amount of \$147,000 include funding for the Town Hall Dumpster Enclosure (\$21,000), Clubhouse Card Reader (\$26,000), a Welcome Center Study (\$50,000), and a Grant to the Family and Intercultural Resource Center (\$50,000).
- Section 2. A supplemental appropriation is made to the Excise Fund in the amount of \$111,532 include funding for a transfer to the Special Projects Fund (\$133,000), anticipated debt service for COP's issued in 2016 (\$278,875) and to reduce expense by \$300,343 in anticipation of the refunding of the 2005 COP debt.
- Section 3. A supplemental appropriation is made to the Special Projects Fund in the amount of \$133,000. These projects include the Lincoln City restoration (\$18,000) and improvements to the Barney Ford Museum (\$15,000). Additional funding (\$100,000) for the Breckenridge Creative Arts organization is intended to fund the WAVE program. This appropriation is made both to the revenue (to fund the expenses via a transfer from the Excise Fund) and to the expense (to authorize the expenditures of funds).
- Section 4. A supplemental appropriation is made to the expense budget of the Affordable Housing Fund in the amount of \$498,125 to fund the debt service on the 2016 COP debt issue. A supplemental appropriation to revenue of \$249,063 is for the reimbursement of 50% of the 2016 COP debt service from Summit County.
- Section 5. This Resolution shall become effective upon its adoption.

RESOLUTION APPROVED AND ADOPTED THIS 26th DAY OF JANUARY 2016.

ATTEST

TOWN OF BRECKENRIDGE

Helen Cospolich, Town Clerk

By _____
John G. Warner, Mayor

APPROVED IN FORM

Town Attorney

Date

Memorandum

TO: TOWN COUNCIL
FROM: Dale Stein P.E., Assistant Town Engineer
DATE: January 20, 2016
RE: Public Projects Update

Breckenridge Theater

The theater expansion project continues to progress on schedule and on budget. Insulation and drywall are being installed on the interior. On the exterior, the rear deck is being built, which will provide space for set construction for users of the building.

Ice Rink Roof

Matt Stais Architects was selected as the designer for the outdoor ice arena roof. He will be assessing two options for consideration, the first being the use of a pre-fabricated roof structure, and the second being a design-build option in which the roof would be custom designed and built. Both options will be assessed for ease of construction, effectiveness in meeting project goals, length of time needed for completion, and cost. Based on early discussions and planning, we do believe that while the timeframe is tight, construction of the roof can potentially be completed by late October of 2016 in time for the winter season.

Recreation Center Enhancements

The Recreation Department received several proposals from qualified architecture firms for the design of a recreation center renovation and the enclosure of existing outdoor tennis courts. Proposals were due January 20, and are currently being reviewed with a selection expected to be made by the end of January.

Kingdom Park Playground

The Recreation Department received 6 unique playground concepts as a result of its request for designs, and then conducted a public process to allow the community to select which design they felt should be built within Kingdom Park, between the artificial turf field and the tennis courts, just north of the skatepark. The public process included displaying the designs in the lobby of the recreation center and allowing individuals to cast ballots for their favorite while also allowing for them to share comments. The designs were also included in a survey sent to individuals / families within the department's database who had previously identified as Breckenridge residents. Through these two processes, the department received input from 314 individuals, with 81% identifying themselves as Breckenridge residents.

The design which received the most support is shown here (103 votes):



The design which received the second most support is shown here (84 votes):



The department will contract with All-Around Recreation, which submitted the winning design, to order the equipment and plan for a late Spring / early Summer installation. Based on a review

of the comments received, many of which requested swings be included in any of the designs, the project team will work with the designer to add swings to the playground. The purchase and installation of the selected playground and the addition of swings is within the project budget approved by Town Council. Recreation staff will now team with Parks staff as well as planning staff to meet with the All-Around Recreation team to plan the installation and the completion of landscaping of the surrounding areas. It is hoped that the skatepark shelter / pavilion which the user group was fundraising for will also be installed as a component of completing the development of this area within Kingdom Park.

MEMO

TO: Mayor & Town Council
FROM: Rick Holman, Town Manager
DATE: January 21, 2016
SUBJECT: Committee Reports for 1-26-2016 Council Packet

Breckenridge Events Committee **January 6, 2016** **Kim Dykstra**

SEPA and Event Permit Process Review:

- Application is now on line to apply for SEPA Permit
- Process of SEPA: Applications goes to BEC 1st for review, then to SEPA Review Group for review, conditions and approval by ToB department representatives & RWB during SEPA Review meeting; then Sydney contacts event producer with conditions and permit
- Conflicting dates were stated as one of the challenges the SEPA process is seeing. Sandy spoke to creating an annual open calendar anchored by iconic events first, with other events scheduled around iconic events. Sydney is messaging out to producers the importance of scheduling their events early to prevent timing conflicts.
- Categorizing events was discussed as well as potentially incorporating into evaluation process. Group reviewed Special Event Rating grid from Vail as a way to quantify.
- LK recommends 2 post season strategy planning sessions, one for winter and one for summer. BCA is big piece of picture and would be integrated in overall view.
- Sandy noted it is important to message to the community changes to existing events (i.e. Mardi Gras parade).
- Action Item: The Feb 3, 2016 BEC meeting will be a strategic session to review 2015 summer calendar and preview 2016's calendar; then present to TC and BTO Board, and then a Community Event Forum.

Events and Activities

- International amateur road cycling event 2017 – group reviewed an outline from “Haute Route” and discussed interest as a stage host for June 2017; a test ride/race would potentially take place in June 2016. Group felt the international involvement/perspective aligns with BTO summer international strategy and is good timing as it would coincide with Breck Bike Week. Action Item: to investigate “the ask” further.

General Updates and Discussions

- ToB Ordinance 10 Series Special Events and Special Events Ordinance Admin Rules - all agreed BEC is complying with ordinance
- BCA updates:
 - Colorado Music Convergence (formerly Band Swap) Feb 19-21 - focus on the business of music & showing importance of music and economic development/impacts for community; CO Creative Industry's involved.
 - “WAVE” June 2–5 - a water + Art + Light event offering innovative artworks by local and international artists, hands-on-activities, live music, performances, and artisan markets; similar to “Canal Convergence 2016” in Phoenix.

SEPA Consent Items

- Reviewed list of SEPA and they were all approved to move to next phase.
- Sydney has reached out to Main St Station for their 2016 event schedule, and noted a few of their new events in August
- Action Item: Discussion/challenges of alcohol related events on next BEC agenda.

Liquor Licensing Authority **January 19, 2016** **Taryn Power/Helen Cospolich**

2015 Annual Report

Authority Members: *Jeri Beth Katz, Chair, David Blank, Vice-Chair, David Garrett, Turk Montepare, William H. Tatro, III*

Number of applications acted upon: 118

- New License/Public Hearing: 6
- Transfer of Ownership: 4
- Renewals: 89

- Modification of Premises: 9
- Change of Manager: 5
- Art Gallery Permit: 0
- Change of Trade Name: 2
- Change of Corporate Structure: 3

In addition to the applications above, the Town Clerk approved sixty-eight (68) special event liquor permits.

Public Hearings - New Licenses

Coffee House Holdings, Inc. d/b/a Starbucks 6684
225 S. Main St.
Beer & Wine License

The Mine Breck, LLC d/b/a The Mine
200 North Main St., Lower Level
Tavern License

Alpine Sports, LLC d/b/a Alpine Sports
435 N. Park Ave.
Beer & Wine License

Chopping Block Breck, LLC d/b/a Breckenridge Chopping Block
118 South Ridge Street
Beer & Wine License

**The Historic Brown Hotel & Restaurant, LLC d/b/a The Historic Brown Hotel & Restaurant
208 North Ridge Street
Tavern License

Flip Side Breck, LLC d/b/a Flip Side Burgers
318 S. Main St.
Hotel & Restaurant License

*Three of the six new liquor licenses were for premises that were being licensed for the first time.

** The Historic Brown Hotel & Restaurant changed their license from a Hotel & Restaurant to a Tavern. This change required them to apply for a new license.

Number of active licenses: 98
Number of licenses denied: 0

Other highlights and actions during the past year:

On October 17, 2015 the Liquor License Authority held a motion hearing for Jaibo, LLC d/b/a Rio Café Mexican Restaurant, to determine if the conditions of the agreement made on 10/21/2014 for violating Regulation 47-910 (After hours consumption), Section 12-47-901(1)(a.5)(I), C.R.S. (Underage Consumption), Regulation 47-900(A) (Orderliness, loitering, serving of intoxicated persons), Section 6-3F-10 of the Breckenridge Town Code (Failure to report), Section 6-3F-18 of the Breckenridge Town Code (Unlawful for an employee to be visibly intoxicated while engaged in the performance of his or her employment at a licensed premises), and Section 12-47-301(3)(a), C.R.S. (Licensing in general) had been violated. If any of the terms (to have all employees TIPS trained) were violated, then the 40 days of suspension could be imposed. At the hearing the LLA decided to allow Jaibo, LLC an additional 40 days to complete the terms of the stipulation. The terms were met within the additional time allowed.

On June 16, 2015 the Liquor Licensing Authority adopted a Resolution to amend the schedule of the fees to be collected by the Town of Breckenridge Liquor Licensing Authority pursuant to the Colorado Beer Code and the Colorado Liquor Code. The fee schedule was updated to reflect the addition of a “Distillery Pub” license which was new for 2015 in the State of Colorado.

On December 8, 2015, the Breckenridge Town Council reappointed Dave Blank and appointed Leigh Girvin to a four-year terms on the Liquor Licensing Authority.

Town staff would like to thank Dave Garrett for his 12 years of service on the Liquor Licensing Authority.

Summit Stage Advisory Board**January 13, 2016****James Phelps**

Jim Andrews, Summit Stage Director, updated the advisory board on the Smart Bus technology project. The Smart Bus system is not completely installed and usable for the public yet but the buses can be seen moving on their website: <https://summitstage.doublemap.com/map> Summit Stage planners presented a service plan for transit service for Swan Meadow Village/Summit Cove. Transit Service for this area has previously been requested by local representatives. After presentation, the advisory board asked planners to examine other service options and cost alternatives. The 2016 adopted budget did not include funds for transit service expansion/s. Mass Transit Tax Receipts thru Q3 were up 9.3% over 2014 and 7.3% over 2015 budget. Summit Stage Year End Ridership was 1,911,625 riders. This represents a 2.6% increase over 2015.

Committees	Representative	Report Status
CAST	Mayor Warner	No Meeting/Report
CDOT	Rick Holman	No Meeting/Report
CML	Rick Holman	No Meeting/Report
I-70 Coalition	Rick Holman	No Meeting/Report
Mayors, Managers & Commissioners Meeting	Mayor Warner	Verbal Report
Liquor Licensing Authority*	Helen Cospolich	Included
Wildfire Council	TBD	No Meeting/Report
Breckenridge Creative Arts	Robb Woulfe	No Meeting/Report
Summit Stage Advisory Board*	James Phelps	Included
Police Advisory Committee	Chief Haynes	No Meeting/Report
CMC Advisory Committee	Rick Holman	No Meeting/Report
Recreation Advisory Committee	Mike Barney	No Meeting/Report
Housing and Childcare Committee	Laurie Best	No Meeting/Report
Childcare Advisory Committee	Laurie Best/Emily Oberheide	No Meeting/Report
Breckenridge Events Committee	Kim Dykstra	Included
Sustainability Task Force	Mark Truckey	No Meeting/Report
Parking and Transit Committee	Chief Haynes	No Meeting/Report

Note: Reports provided by the Mayor and Council Members are listed in the council agenda.

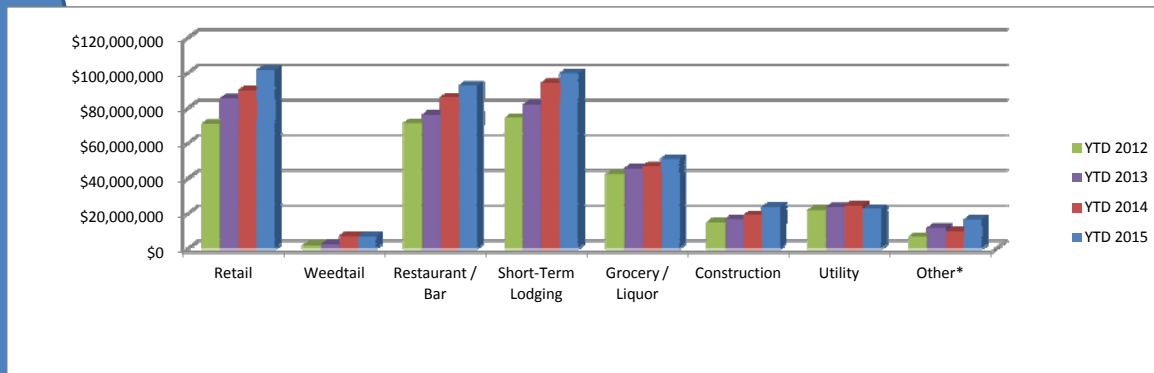
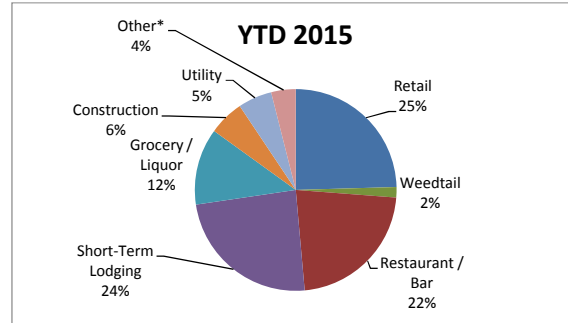
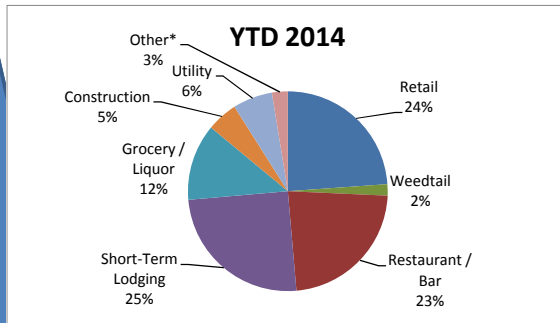
*Minutes to some meetings are provided in the Manager's Newsletter.

The Tax Basics

Net Taxable Sales by Industry-YTD

Description	YTD 2012	YTD 2013	YTD 2014	2014		2014/2015		2015
				% of Total	YTD 2015	\$ Change	% Change	% of Total
Retail	\$70,616,504	\$85,089,393	\$89,678,103	23.87%	\$101,339,237	\$11,661,134	13.00%	24.53%
Weedtail	\$1,636,548	\$2,188,683	\$7,015,797	1.87%	\$6,925,408	(\$90,390)	-1.29%	1.68%
Restaurant / Bar	\$71,139,707	\$75,766,302	\$85,853,818	22.85%	\$92,415,798	\$6,561,980	7.64%	22.37%
Short-Term Lodging	\$74,030,873	\$81,750,268	\$94,061,644	25.04%	\$99,402,137	\$5,340,493	5.68%	24.06%
Grocery / Liquor	\$41,985,013	\$45,265,220	\$46,547,315	12.39%	\$50,799,308	\$4,251,994	9.13%	12.30%
Construction	\$14,757,308	\$16,374,854	\$18,813,147	5.01%	\$23,443,395	\$4,630,248	24.61%	5.68%
Utility	\$21,586,483	\$23,250,372	\$24,015,544	6.39%	\$22,482,699	(\$1,532,845)	-6.38%	5.44%
Other*	\$6,351,616	\$11,500,600	\$9,661,088	2.57%	\$16,254,534	\$6,593,446	68.25%	3.94%
Total	\$302,104,052	\$341,185,694	\$375,646,456	100.00%	\$413,062,517	\$37,416,060	9.96%	100.00%

* Other includes activities in Automobiles and Undefined Sales.



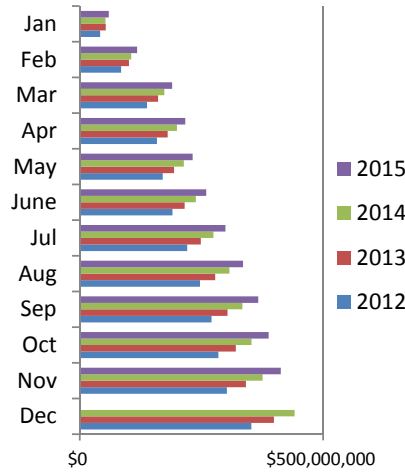
New Items of Note:

- November net taxable sales are currently ahead of 2014 by 10.31%.
- Construction fared better than the aggregate of all sectors with an increase of 43.96%, as compared to November 2014. Despite this notable increase, November 2015 lagged behind November 2006-2007 sales, which ranged from \$2,531,655-\$2,689,477.
- After 5 consecutive months of decline, Weedtail rebounded and has experienced 4 consecutive months of increases over prior year: up 7.54% versus November of 2014.
- Distribution of disposable bags experienced a 1% decrease, as compared to November 2014.

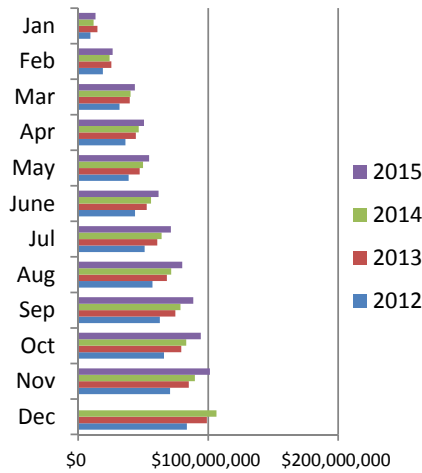
Continuing Items of Note:

- In 2014, a new category was added to the Sales by Sector pages for the Weedtail sector. The category encompasses all legal marijuana sales, regardless of medical or recreational designation. The Retail sector has been adjusted to remove the sales previously reported in this category. The jump in sales from 2013 to 2014 can be attributed to the legalization of sales of recreational marijuana.
- A section on Disposable Bag Fees was added in 2014.
- Taxes collected from the customer by the vendor are remitted to the Town on the 20th of the following month.
- Quarterly taxes are reported in the last month of the period. For example, taxes collected in the first quarter of the year (January – March), are included on the report for the period of March.
- Net Taxable Sales are continually updated as late tax returns are submitted to the Town of Breckenridge. Therefore, you may notice slight changes in prior months, in addition to the reporting for the current month.
- "Other" sales remain high due to returns that have yet to be classified. Staff is still awaiting clarification from the vendor. Much of this category will be reclassified to other sectors as more information becomes available.

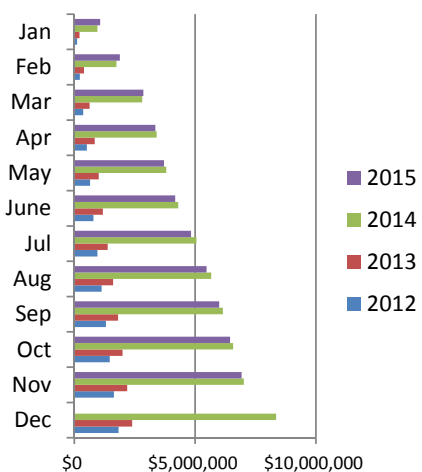
Net Taxable Sales by Sector - Town of Breckenridge Tax Base



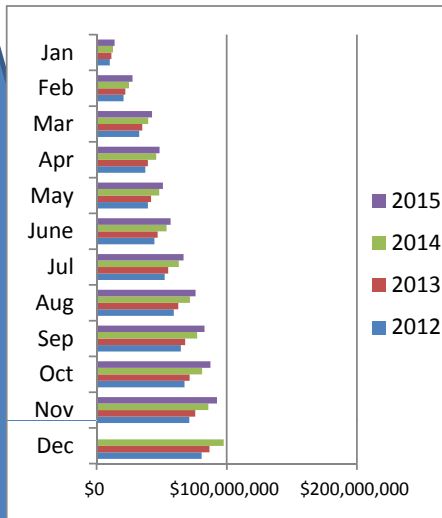
Total Net Taxable Sales					
					% change
	2012	2013	2014	2015	from PY
Jan	\$41,718,482	\$53,336,557	\$52,724,657	\$59,569,109	12.98%
Feb	\$43,279,998	\$47,661,413	\$52,939,129	\$58,268,560	10.07%
Mar	\$53,068,463	\$59,665,211	\$67,965,294	\$71,914,045	5.81%
Apr	\$20,550,689	\$19,835,788	\$25,846,590	\$26,946,379	4.26%
May	\$11,552,549	\$13,043,792	\$14,128,619	\$15,067,726	6.65%
Jun	\$20,161,932	\$21,824,324	\$24,926,036	\$27,958,601	12.17%
Jul	\$30,306,091	\$33,233,133	\$36,007,304	\$39,333,578	9.24%
Aug	\$26,378,253	\$29,614,066	\$32,751,065	\$36,217,130	10.58%
Sep	\$23,534,713	\$25,136,536	\$26,812,435	\$31,490,663	17.45%
Oct	\$14,052,583	\$17,154,744	\$18,848,441	\$21,259,736	12.79%
Nov	\$17,500,298	\$20,680,131	\$22,696,886	\$25,036,990	10.31%
Dec	\$50,233,000	\$57,510,396	\$65,657,859	\$0	n/a
Total	\$352,337,052	\$398,696,089	\$441,304,316	\$413,062,517	



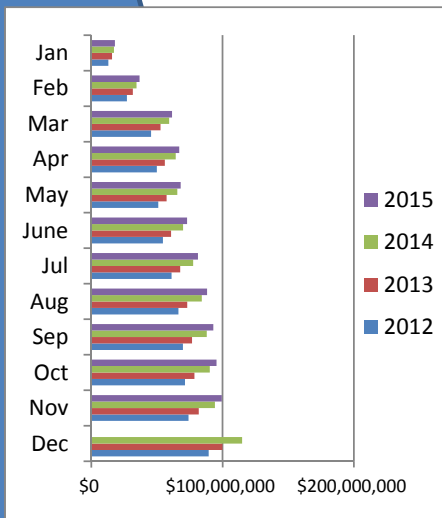
Retail					
					% change
	2012	2013	2014	2015	from PY
Jan	\$9,332,951	\$14,740,883	\$11,850,499	\$13,216,760	11.53%
Feb	\$9,561,486	\$10,714,990	\$12,310,424	\$13,171,265	6.99%
Mar	\$12,894,030	\$14,200,123	\$16,101,048	\$17,228,884	7.00%
Apr	\$4,535,877	\$4,640,272	\$6,188,967	\$6,913,292	11.70%
May	\$2,460,868	\$2,945,458	\$3,424,705	\$3,924,675	14.60%
Jun	\$4,935,052	\$5,421,774	\$6,132,569	\$7,312,242	19.24%
Jul	\$7,291,230	\$8,155,359	\$8,098,518	\$9,473,602	16.98%
Aug	\$6,103,157	\$7,322,388	\$7,367,221	\$8,706,400	18.18%
Sep	\$5,600,950	\$6,540,887	\$7,118,054	\$8,573,576	20.45%
Oct	\$3,253,812	\$4,563,566	\$4,476,941	\$5,700,952	27.34%
Nov	\$4,647,092	\$5,843,691	\$6,609,157	\$7,117,588	7.69%
Dec	\$12,981,465	\$13,828,152	\$16,658,333	\$0	n/a
Total	\$83,597,969	\$98,917,546	\$106,336,436	\$101,339,237	



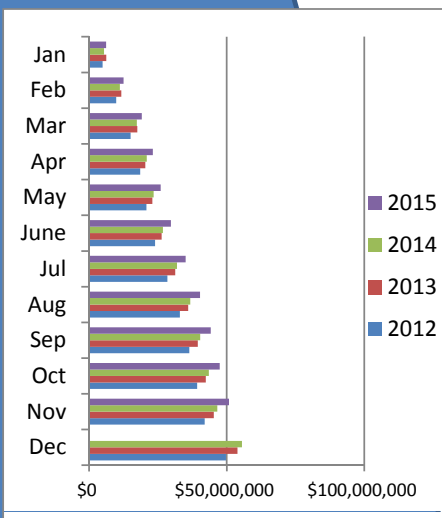
Weedtail					
					% change
	2012	2013	2014	2015	from PY
Jan	\$112,836	\$213,016	\$951,609	\$1,069,983	12.44%
Feb	\$112,024	\$182,322	\$787,796	\$809,146	2.71%
Mar	\$138,857	\$236,589	\$1,068,198	\$976,179	-8.61%
Apr	\$151,697	\$207,583	\$597,513	\$496,701	-16.87%
May	\$130,681	\$165,344	\$397,864	\$357,902	-10.04%
Jun	\$143,525	\$173,564	\$493,672	\$463,026	-6.21%
Jul	\$166,596	\$198,017	\$755,747	\$659,118	-12.79%
Aug	\$167,634	\$226,347	\$612,329	\$638,380	4.25%
Sep	\$180,635	\$203,715	\$482,512	\$524,591	8.72%
Oct	\$160,677	\$189,368	\$425,385	\$453,781	6.68%
Nov	\$171,386	\$192,819	\$443,172	\$476,602	7.54%
Dec	\$189,064	\$205,254	\$1,336,055	\$0	n/a
Total	\$1,825,612	\$2,393,937	\$8,351,852	\$6,925,408	



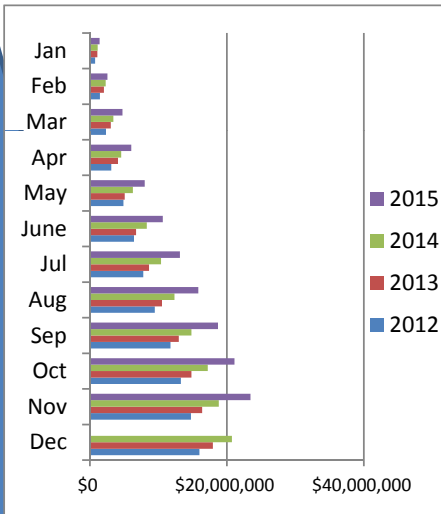
Restaurant / Bar					
	2012	2013	2014	2015	% change from PY
Jan	\$10,000,475	\$11,273,850	\$12,478,726	\$13,774,684	10.39%
Feb	\$10,576,852	\$10,704,428	\$12,289,846	\$13,739,086	11.79%
Mar	\$12,086,391	\$12,967,189	\$14,799,479	\$14,986,994	1.27%
Apr	\$4,662,012	\$4,310,574	\$6,133,751	\$5,761,096	-6.08%
May	\$1,975,658	\$2,552,517	\$2,367,636	\$2,610,016	10.24%
Jun	\$5,006,301	\$5,004,564	\$5,648,526	\$5,893,822	4.34%
Jul	\$7,964,540	\$8,164,898	\$9,276,963	\$9,949,823	7.25%
Aug	\$6,905,724	\$7,690,278	\$8,714,972	\$9,195,133	5.51%
Sep	\$5,423,426	\$5,254,681	\$5,471,492	\$6,918,520	26.45%
Oct	\$2,924,663	\$3,457,580	\$3,772,601	\$4,551,915	20.66%
Nov	\$3,613,665	\$4,385,744	\$4,899,826	\$5,034,710	2.75%
Dec	\$9,534,760	\$10,871,039	\$11,728,928	\$0	n/a
Total	\$80,674,467	\$86,637,342	\$97,582,746	\$92,415,798	



Short-Term Lodging					
	2012	2013	2014	2015	% change from PY
Jan	\$12,980,188	\$15,698,448	\$17,232,658	\$17,887,508	3.80%
Feb	\$14,098,863	\$15,860,278	\$17,188,560	\$18,848,748	9.66%
Mar	\$18,334,344	\$21,150,210	\$24,836,984	\$24,742,656	-0.38%
Apr	\$4,477,551	\$3,303,068	\$4,958,420	\$5,425,244	9.41%
May	\$1,088,308	\$1,263,021	\$1,285,010	\$1,172,016	-8.79%
June	\$3,498,126	\$3,489,236	\$4,331,326	\$4,790,395	10.60%
Jul	\$6,619,464	\$6,874,194	\$7,651,167	\$8,374,073	9.45%
Aug	\$5,172,991	\$5,384,872	\$6,665,736	\$6,883,018	3.26%
Sep	\$3,501,612	\$3,680,342	\$3,794,575	\$4,770,119	25.71%
Oct	\$1,495,331	\$1,780,132	\$2,321,548	\$2,471,283	6.45%
Nov	\$2,764,095	\$3,266,469	\$3,795,658	\$4,037,076	6.36%
Dec	\$15,265,907	\$18,079,402	\$20,755,626	\$0	n/a
Total	\$89,296,780	\$99,829,670	\$114,817,270	\$99,402,137	



Grocery / Liquor					
	2012	2013	2014	2015	% change from PY
Jan	\$4,857,276	\$6,202,934	\$5,396,830	\$6,118,110	13.36%
Feb	\$4,962,402	\$5,467,845	\$5,757,737	\$6,366,200	10.57%
Mar	\$5,219,990	\$5,782,332	\$6,142,330	\$6,618,286	7.75%
Apr	\$3,469,430	\$2,961,839	\$3,595,478	\$4,015,647	11.69%
May	\$2,309,947	\$2,527,526	\$2,494,945	\$2,825,188	13.24%
June	\$3,097,820	\$3,378,083	\$3,390,191	\$3,735,382	10.18%
Jul	\$4,489,506	\$4,954,547	\$5,095,848	\$5,388,915	5.75%
Aug	\$4,540,829	\$4,724,946	\$4,876,297	\$5,231,601	7.29%
Sep	\$3,404,220	\$3,465,662	\$3,605,574	\$3,882,616	7.68%
Oct	\$2,855,324	\$2,930,066	\$3,098,294	\$3,242,060	4.64%
Nov	\$2,778,270	\$2,869,441	\$3,093,792	\$3,375,304	9.10%
Dec	\$7,705,640	\$8,615,254	\$8,968,840	\$0	n/a
Total	\$49,690,652	\$53,880,474	\$55,516,155	\$50,799,308	

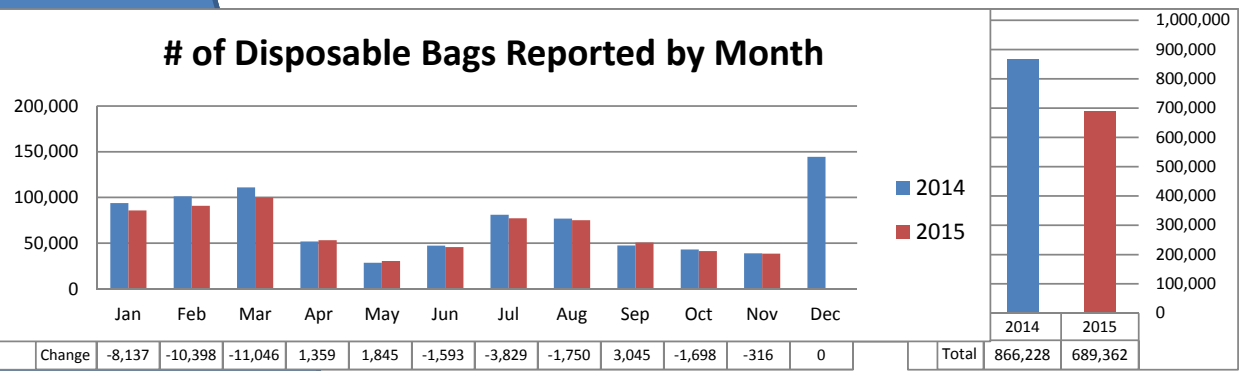


Construction					
	2012	2013	2014	2015 from PY	% change
Jan	\$752,255	\$1,072,239	\$1,129,003	\$1,414,514	25.29%
Feb	\$703,811	\$964,673	\$1,171,370	\$1,137,268	-2.91%
Mar	\$881,518	\$1,008,645	\$1,121,396	\$2,206,512	96.76%
Apr	\$779,206	\$1,055,938	\$1,140,743	\$1,265,583	10.94%
May	\$1,761,256	\$978,334	\$1,699,762	\$1,961,340	15.39%
Jun	\$1,540,822	\$1,653,588	\$2,027,078	\$2,643,257	30.40%
Jul	\$1,366,520	\$1,903,161	\$2,084,178	\$2,495,987	19.76%
Aug	\$1,670,785	\$1,870,078	\$1,969,423	\$2,689,927	36.58%
Sep	\$2,297,356	\$2,454,362	\$2,474,159	\$2,881,559	16.47%
Oct	\$1,521,388	\$1,858,158	\$2,372,139	\$2,409,718	1.58%
Nov	\$1,482,393	\$1,555,679	\$1,623,898	\$2,337,730	43.96%
Dec	\$1,226,412	\$1,568,060	\$1,905,449	\$0	n/a
Total	\$15,983,720	\$17,942,915	\$20,718,596	\$23,443,395	

Disposable Bag Fees

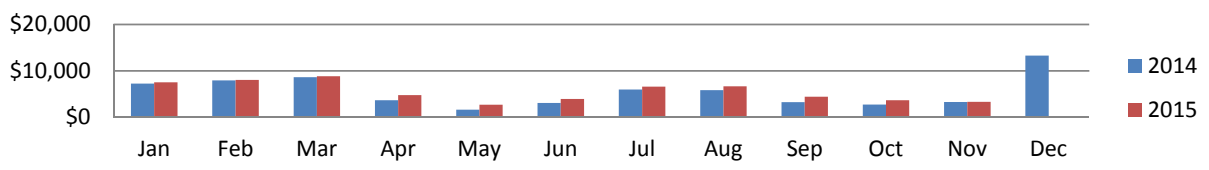
The Town adopted an ordinance April 9, 2013 (effective October 15, 2013) to discourage the use of disposable bags, achieving a goal of the SustainableBreck Plan. The \$.10 fee applies to most plastic and paper bags given out at retail and grocery stores in Breckenridge. The program is intended to encourage the use of reusable bags and discourage the use of disposable bags, thereby furthering the Town's sustainability efforts. Revenues from the fee are used to provide public information about the program and promote the use of reusable bags.

of Disposable Bags Reported by Month



Bag Fees Remitted by Month

Net of Retained Percentage*



*Retailers are permitted to retain 50% of the fee (up to \$1000/month through October 31, 2014; \$100/month beginning November 1, 2014) in order to offset expenses incurred related to the program. The retained percent may be used by the retail store to provide educational information to customers; provide required signage; train staff; alter infrastructure; fee administration; develop/display informational signage; encourage the use of reusable bags or promote recycling of disposable bags; and improve infrastructure to increase disposable bag recycling.

MEMORANDUM

To: Mayor and Town Council
From: Rick Holman, Town Manager
Date: January 20, 2016
Subject: 2016 Town Council Goals and Objectives – Revised Format

At the last budget retreat, the Town Council agreed to continue with the nine goals that had been identified in 2015. In addition, the Council asked for a goal that would reward and recognize our Town employees. At that time I informed the Council that staff would like to re-format our current goals into more of a “goal statement” with associated measureable objectives.

Attached to this memo is the draft of those revised goal statements and objectives that our Senior Leadership Team (SLT) has been working on. Each objective has a SLT lead assigned to it. You will also notice the last goal we have added and hopefully this captures what some of the Council were looking for relative to how we reward and recognize our employees.

Staff will be present at the worksession for any feedback you have relative to this draft.

2016 TOWN COUNCIL GOALS and OBJECTIVES

Rev. 1.19.16

AREA of FOCUS: Parking & Transit Comprehensive Plan Development		
GOAL: <i>Develop and implement a balanced parking and multi-modal transportation plan that preserves the character of the community</i>		
OBJECTIVES - ACTION		SLT LEAD/ Others
1	Identify internal and external members for a Parking & Transportation Planning Team.	Shannon, Peter & Tom
2	Review existing and new data on parking, traffic congestion, and utilization of various modes of transportation.	Shannon, Peter & Tom
3	Determine the most efficient configuration for transportation and parking assets in support of reduced traffic congestion.	Shannon, Peter & Tom
4	Engage in public outreach by utilizing both traditional and modern methods of communication and engagement.	Shannon, Peter & Tom
5	Establish a comprehensive plan for way-finding and the use of technology	Shannon, Peter & Tom

AREA of FOCUS: Workforce Housing		
GOAL: <i>Support a diversity of local workforce housing options</i>		
OBJECTIVES - ACTION		SLT LEAD/ Others
1	Implement the 2008 Workforce Housing Action Plan and the recommendations established in the 2013 Housing Needs Assessment	Peter
2	Develop additional affordable rental housing units.	Peter
3	Partner with community stakeholders to build more workforce housing	Peter
4	Update the Housing Needs Assessment	Peter
5	Develop building tracts on Block 11.	Peter

AREA of FOCUS: Recreational Facilities and Amenities		
GOAL: <i>Ensure that Breckenridge continues to maintain, improve, and develop public recreational facilities and amenities</i>		
OBJECTIVES – ACTION		SLT LEAD/ Others
1	Initiate a study to determine the feasibility and cost of constructing a new tennis facility built over existing courts within Kingdom Park and renovating the recreation center to relocate staff offices, add studio /multi-purpose space, add weight / cardio / circuit training space, and implement other facility improvements as identified through the study	Mike
2	Hire an architect to design and prepare construction drawings for a roof to be constructed over the existing outdoor ice rink	Mike
3	Install playground in Kingdom Park	Mike

AREA of FOCUS: Childcare and Early Learning Centers		
GOAL: <i>Ensure the continued viability of Breckenridge childcare centers</i>		
OBJECTIVES – ACTION		SLT LEAD/ Others
1	Initiate a study to assess the current and future levels of demand and supply	Mike
2	Maintain and enhance the childcare tuition assistance program through ensuring adequate financial assistance is being provided to families that are able to demonstrate the need	Mike
3	Collaborate with childcare centers to identify and implement best practices in the areas of center operations, fiscal management, and quality of care	Mike
4	Coordinate a public education campaign on the benefits of early learning	Mike
5	Identify long term funding options to ensure childcare centers remain financially sustainable and affordable for families	Mike

AREA of FOCUS: Riverwalk Center Guest Experience		
GOAL: <i>Identify and implement opportunities for improvements to the Riverwalk Center</i>		
OBJECTIVES - ACTION		SLT LEAD/ Others
1	Initiate a study to outline improvements to the lobby, event space, and restrooms.	Brian
2	Enhance technical capabilities through improvements to stage infrastructure and rigging.	Brian
3	Improve ticket office space and capabilities.	Brian

AREA of FOCUS: Water Sustainability**GOAL: *Develop and maintain a reliable, sustainable, clean drinking water supply for the Town of Breckenridge and the surrounding service area in the Upper Blue Planning region***

OBJECTIVES - ACTION		SLT LEAD/ Others
1	Develop and enhance the water conservation program by educating the users about water use and develop water conservation incentives to users	Tom
2	Develop a diversified and sustainable water supply by building a second water plant	Tom
3	Replace portions of the distribution system to minimize leaks and water main breaks	Tom
4	Improve the existing Gary Roberts water treatment plant with new technology and equipment so that it will be able to operate efficiently into the future	Tom

AREA of FOCUS: Sustainability of the Environment**GOAL: *Implement actions that further the Town's efforts towards sustainability and reduction of our community's carbon footprint***

OBJECTIVES - ACTION		SLT LEAD/ Others
1	Increase the number of businesses that participate in SustainableBreck businesses.	Peter
2	Recruit more residential homeowners for participation in the EnergySmart residential program.	Peter
3	Market the use of reusable bags to residents and visitors.	Peter
4	Encourage water conservation.	Peter
5	Identify and implement new initiatives that can further the Town's sustainability efforts.	Peter
6	Facilitate the construction of a second solar garden.	Peter
7	Promote programs that encourage Town employees to utilize alternative transportation	Peter

AREA of FOCUS: Public Engagement		
GOAL: Enhance and develop avenues for citizens to engage with the Town of Breckenridge so they are informed, feel heard, become involved and collaborate to find solutions		
OBJECTIVES – ACTION		SLT LEAD/ Others
1	Website – update and upgrade so it is meeting the needs of our citizens (i.e. obtain feedback, analyze current uses, improve features/functions such as mobile, search, engagement ‘tool’, calendar, etc.)	Kim
2	Video – utilize SCTV-10/SummitNews.com – augment Breck Buzz to include ToB staff and possibly citizens on ‘hot’ topics; develop ‘how to’ short features	Kim
3	State of the Town – enhance ‘printed’ report and add a Town Hall meeting presentation of a high-level overview and Q&A session with full Council	Kim
4	Public Meetings: Coffee Talks – enhance to include Council members on a regular basis, continue to hold monthly. Specific Topics/Issues (ex. Parking & Transit, Housing) – develop & implement outreach/communication plans.	Kim
5	Social/Electronic Media – increase fans/followers, provide consistent messaging, experiment with new avenues/products.	Kim

AREA of FOCUS: Development – City Market		
GOAL: Facilitate the redevelopment of the City Market Center shopping center site		
OBJECTIVES – ACTION		SLT LEAD/ Others
1	Develop consensus on the concept site plan for the redevelopment of the property. Status: Completed. Option 7A and 7B were agreed upon.	Peter
2	Generate a financial proforma for the development of the agreed upon development scenario. Status: Completed and reviewed with the Town Council budget retreat in Oct 2015	Peter
3	Arrive at an agreed upon solution for the redevelopment of the shopping center with the property owner and with City Market, the primary tenant. Status: Negotiations with the property owner are ongoing	Peter

AREA of FOCUS: Human Resources and Talent Management		
GOAL: Reward and recognize employees to support a sustainable and motivated workforce		
OBJECTIVES – ACTION		SLT LEAD/ Others
1	Conduct a pay and benefits study to assess our standing with comparison entities.	Sherilyn
2	Implement a new performance management system to encourage a shared mindset and reflect the Town’s <i>Leadership Values & Philosophies</i> .	Sherilyn & Shannon
3	Design a process for developing talent and linking professional interests with Town Vision, Mission and Goals (2 year goal).	Sherilyn
4	Deliver and facilitate benefit roundtables and training to support and educate employees.	Sherilyn
5	Recognize employee accomplishments in meetings w/department staff, town leaders and others.	ALL SLT



MEMORANDUM

TO: Town Council
FROM: Sherilyn Gourley, HR Manager
DATE: January 19, 2016
SUBJECT: Elected Official Benefits – Recap & Comparisons

This memorandum provides a summary of the benefits and pay programs for Town Elected Officials, Planning Commission and BOSAC. Local/mountain comparisons are provided, and Council guidance sought.

I. BACKGROUND – Pay and Benefits

- a. **Medical/Dental Benefits:** In 2013, the costs paid by Council members for medical and dental insurance coverage were established at the same level/costs that are paid by Town Employees*
**This change applied only to those elected/appointed to Town Council April 14, 2014 or later.*
- b. **Pay:** No changes were made in 2013 regarding pay for Elected Officials, Planning Commission or BOSAC.
- c. **Other Benefits:** Council members, Planning Commission and BOSAC are provided a \$500 annual recreation ‘credit’, for use at the Recreation Center, Ice Arena, Gold Run Nordic Center or Golf Course.

II. PAY – MONTHLY - Comparisons

ITEM	BRECK	Aspen	Avon	Vail	Frisco	Dillon	Silver-thorne	Crested Butte	Telluride	Golden
Mayor Pay	\$1,200	\$2,325	\$1,200	\$1,000	\$950	\$900	\$750	\$800	\$1,500	\$1,693
Council Pay	\$800	\$1,700	\$600	\$625	\$500	\$300	\$300	\$400	\$800	\$1,193
Planning Comm. Pay	\$400	Unknown	\$150	N/A	N/A	N/A	N/A	\$50/mtg	\$150	N/A
BOSAC Pay	\$200	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

III. COUNCIL BENEFITS – Comparisons

ITEM	BRECK	Aspen	Avon	Vail	Frisco	Dillon	Silver-thorne	Crested Butte	Telluride	Golden
MEDICAL	✓	✓	✓	✓	-	-	-	-	-	-
DENTAL	✓	✓	✓	✓	-	-	-	-	-	-
VISION	-	-	-	✓	-	-	-	-	-	-
REC/Other	\$500	Stipend = to Med Ins Costs	\$300	\$700	Discount @ Copper	Discount @ Marina & ST Rec	\$200	-	-	-

Note: Breck, Aspen, Avon and Vail provide medical at the ‘employee’ rate to elected officials.

IV. Summary

Any change to Town Council compensation, including benefits with monetary value, can only affect future council members. Such change must be in place prior to the next council election, and enacted by Town ordinance.

- a) **Pay:** Does Council want to see changes in pay for Elected Officials, Planning Commission or BOSAC?
- b) **BENEFITS:** Does Council want to see changes in medical or recreation benefits?

I will be available at the 1/26/16 Town Council work session to take questions you may have.

Thank you.

Memo

To: Town Council Members
From: Michael Barney, Director of Recreation
CC: Rick Holman
Date: 1/20/2016
Re: Use of Bromine in Pools / Spas

At the Town Council meeting held on January 12, 2016, Mayor Warner shared that he had received notice of some concerns regarding the recent conversion of the recreation center's spas from peroxide to chlorine. As you may recall, the County Health Department informed the Recreation Department that peroxide was not a permissible sanitizing agent for use in public pools / spas back in October, though it had been used in the recreation center for over 15 years. As a result, the department converted both the outdoor and indoor spas to use chlorine as the primary sanitizing agent and discontinued the use of peroxide.

Also at the meeting on January 12, Mayor Warner and Councilmember Burke inquired about the potential to use bromine as an alternative to chlorine, both expressing that they believed bromine to be less offensive in odor and in the way it impacts skin, as chlorine is often assumed to cause itchiness / dryness for individuals with sensitive skin. In response to this inquiry, I responded that I did not believe that bromine was an acceptable sanitizing agent that we could consider, as bromine was not presented as an option when I had asked our aquatics team to research the issue and identify all of our options for discontinuing the use of peroxide. Upon going back to the department's Aquatics Coordinator, Scott Haden, and inquiring about bromine after the town council meeting, I have learned that bromine is in fact an option that we can consider for sanitizing our pools / spas in the recreation center. When I asked Scott why he had not presented that option previously when we were informed that we needed to cease using peroxide, he explained to me that bromine is significantly more expensive than chlorine, and that while he was very familiar with chlorine sanitization, he had not had the opportunity to work with bromine systems in the past, and felt more comfortable managing the chlorine sanitization system.

I then asked Scott to prepare a report showing the differences between chlorine and bromine and describe the impacts for using each in our pools / spas. I have summarized his report below:

While both chlorine and bromine can be used as the primary sanitizing agent in our pools / spas, there are advantages and disadvantages for each. The two main functions that are required of public pool / spa operators are to sanitize the water and oxidize the water. Sanitization is simply the killing of all germs and bacteria and other harmful agents in the water to prevent individuals from becoming ill. Oxidization is the process through which the germs, as well as other organic elements, are broken down and removed from the water to keep it looking clear.

Chlorine excels as both a sanitizer and an oxidizer, and therefore is the most commonly used agent in pools / spas around the world. It is also one of the least expensive options available. Bromine is just as effective in sanitization, but is not an effective oxidizer, meaning that in order to maintain the level of clarity we currently achieve in our water, we would still need to use some chlorine in combination with the bromine, though at a much lower level than we currently use. It is also important to note that bromine is approximately 30-60% more costly than chlorine per usage pound. Scott projected an annual increase of about \$5,000 in chemical costs if we begin using bromine as the primary agent in our spas.

His primary concern with the use of bromine is how it would impact the clarity of the water, and potentially negatively impact the ability of lifeguards to see all the way to the bottom of the spas to monitor the safety of bathers. As less organic material is oxidized and removed from the water into the air, the water will be more cloudy and difficult to see all the way through. The more bathers that use the spas, the more organic material is deposited in the water, so while a private spa with low usage may not experience this water clarity issue, our public spas, which regularly see over 100 bathers per day certainly will.

Based on Scott's report and concerns with the ability of lifeguards to be able to clearly see through to the bottom of the spas and keep guests safe, I recommend that the department begin using bromine in the outdoor spa only at this time and closely monitor how the clarity of the water is affected. Whereas the outdoor spa had previously utilized a peroxide based system for over 15 years and members have expressed noticing a significant difference since converting to chlorine, and since the outdoor spa is for adults only and is not in a location where lifeguards regularly look all the way to the bottom of the spa, I believe that any negative impact in water clarity will not affect the safety of our guests. The indoor spa however is larger and regularly used by small children, so I am hesitant to recommend the use of bromine and potentially negatively impacting the ability of our lifeguards to see all the way to the bottom and keep guests safe. If we find that the water clarity issues can be effectively mitigated in the outdoor spa over time, we can then look at the use of bromine in the indoor spa and potentially the pools as well.

I will be available at the council work session and meeting on January 26 to address any questions that you may have.